

BLUE STAR CLIMATECH LIMITED

Financial Statement for the year ended March 31, 2026

INDEPENDENT AUDITOR'S REPORT

To The Members of Blue Star Climatech Limited Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Blue Star Climatech Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2026, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year ended on that date, and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2026, its profit and other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing ("SA"s) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibility for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report, but does not include the financial statements and our auditor's report thereon.
- Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.



- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Company's Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Company to express an opinion on the financial statements.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal financial controls that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
 - c) The Balance Sheet, the Statement of Profit and Loss including Other



Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

- d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on March 31, 2026 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2026 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the



Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
 - v. The company has not declared or paid any dividend during the year and has not proposed final dividend for the year.
 - vi. Based on our examination, which included test checks, the has used accounting software systems for maintaining its books of account for the financial year ended March 31, 2026 which have the feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software systems. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with and the audit trail has been preserved by the Company as per the statutory requirements for record retention.
2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



Ketan Vora
(Partner)
(Membership No. 100459)
(UDIN: 26100459WBAKLJ3056)

Place: Mumbai
Date: May 05, 2026



ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")

We have audited the internal financial controls with reference to financial statements of Blue Star Climatech Limited (the "Company") as at March 31, 2026 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's management responsible for establishing and maintaining internal financial controls with reference to financial statements based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.



Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

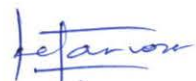
Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us by the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2026, based on the criteria for internal financial control with reference to financial statements established by the respective Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



Ketan Vora
Partner

Membership No. 100459
UDIN: 26100459WBAKLJ3056

Place: Mumbai
Date: May 05, 2026

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ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment, capital work-in-progress and relevant details of right-of-use assets.
- (B) The Company has maintained proper records showing full particulars of intangible assets (including intangible assets under development).
- (b) The Company has a program of verification of property, plant and equipment, capital work-in-progress and right-of-use assets, so to cover all the items once in 2 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, during the year certain property, plant and equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) Based on the examination of the registered title deed and other records provided to us, we report that, the title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment, are held in the name of the Company as at the balance sheet date.
- (d) The Company has not revalued any of its property, plant and equipment (including Right of Use assets) and intangible assets during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2026 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) The inventories except for (goods-in-transit and stocks held with third parties), were physically verified during the year by the Management at reasonable intervals. In our opinion and based on information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. In respect of goods in-transit, the goods have been received subsequent to the year end or confirmations have been obtained from the parties. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories/alternate procedures performed as applicable, when compared with the books of account.



(b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, at points of time during the year, from banks or financial institutions on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns or statements comprising (stock statements, book debt statements, credit monitoring arrangement reports, statements on ageing analysis of the debtors/other receivables, and other stipulated financial information) filed by the Company with such banks or financial institutions are in agreement with the unaudited books of account of the Company of the respective quarters and no material discrepancies have been observed.

(iii) (a) The Company has provided unsecured loans to other parties during the year and details of which are given below:

Amount (Rs. In Crores)	
Particulars	Loans
A. Aggregate amount granted / provided during the year:	
- Others (Employees)	0.19
B. Balance outstanding as at balance sheet date in respect of above cases:	
- Others (Employees)	0.34

The Company has not provided any guarantee or security to any other entity during the year.

(b) The investments made and the terms and conditions of the grant of all the above-mentioned loans, during the year are, in our opinion, prima facie, not prejudicial to the Company's interest.

(c) In respect of loans granted the schedule of repayment of principal has been stipulated and the repayments of principal amounts are regular as per stipulation.

(d) According to information and explanations given to us and based on the audit procedures performed, in respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.

(e) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

(f) According to information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause (iii) (f) is not applicable.

(iv) The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided as applicable.

(v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.



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- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013, we have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained by the Company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) In respect of statutory dues:
- (a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, duty of Custom, cess and other material statutory dues applicable to the Company have generally been regularly deposited by it with the appropriate authorities in all cases during the year. There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, duty of Custom, cess and other material statutory dues in arrears as at March 31, 2026 for a period of more than six months from the date they became payable.
- (b) There are no dues referred in sub-clause (a) above which have not been deposited on account of disputes as on March 31, 2026.
- (viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
- (ix) (a) In our opinion, the Company has not defaulted in the repayment of loans or in the payment of interest thereon to any lender during the year.
- (b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has not taken any term loan during the year and there are no unutilised term loans at the beginning of the year and hence, reporting under clause (ix)(c) of the Order is not applicable.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause 3(ix)(e) of the Order is not applicable.
- (f) The Company does not have any subsidiary or associate or joint venture and hence, reporting under clause 3(ix)(f) of the Order is not applicable.
- (x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.



- (b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us, in terms of Rule 4 of the Companies (Appointment and qualification of Directors) Rules, 2014 read with Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014, provisions of Section 177 of the Act are not applicable to the Company.
- In our opinion, the Company is in compliance with Section 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) (a) In our Opinion the company has an adequate internal audit system commensurate with the size and the nature of its business.
- (c) We have considered, the internal audit reports issued to the Company during the year and covering the period upto March 31, 2026.
- (xv) In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- (b) The Group does not have any CIC as part of the group and accordingly reporting under clause (xvi)(d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the company during the year.



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- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable for the year.

For Deloitte Haskins & Sells LLP

Chartered Accountants

(Firm's Registration No.117366W/W-100018)

Ketan Vora

Partner

Membership No. 100459

UDIN: 26100459WBAKLJ3056

Place: Mumbai

Date: May 05, 2026

Particulars	Notes	As at March 31, 2026	As at March 31, 2025
		₹ Crores	₹ Crores
A ASSETS			
1. Non-current assets			
(a) Property plant and equipment	4	511.33	497.17
(b) Capital work-in-progress	5	5.18	20.10
(c) Right-of-use assets	6	18.27	19.45
(d) Intangible assets	7A	0.98	0.92
(e) Intangible assets under development	7B	-	-
(f) Financial assets			
(i) Loans	9	0.27	0.25
(ii) Other financial assets	10	1.34	1.03
(g) Income tax assets (net)	23	0.09	0.69
(h) Other non-current assets	14	41.45	44.36
Total non-current assets		578.91	583.97
2. Current assets			
(a) Inventories	11	287.18	334.55
(b) Financial assets			
(i) Investments	8	9.05	4.76
(ii) Trade receivables	12	206.61	216.16
(iii) Cash and cash equivalents	13	3.43	5.99
(iv) Loans	9	0.07	0.06
(v) Other financial assets	10	27.08	18.02
(c) Other current assets	14	9.52	14.76
Total current assets		542.94	594.30
Total assets		1,121.85	1,178.27
B EQUITY AND LIABILITIES			
1. Equity			
(a) Equity share capital	15	544.44	544.44
(b) Other equity	16	142.15	75.09
Total equity		686.59	619.53
2. Non-current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	19	5.46	5.79
(b) Other non-current liabilities	21	41.19	38.88
(c) Provisions	22	0.99	0.40
(d) Deferred tax liabilities		11.80	8.99
Total non-current liabilities		59.44	54.06
3. Current liabilities			
(a) Financial liabilities			
(i) Borrowings	17	85.00	140.00
(ii) Lease liabilities	19	0.78	1.12
(iii) Trade payables			
(A) Total outstanding dues of micro and small enterprises	18	18.79	35.24
(B) Total outstanding dues of creditors other than micro and small enterprises		261.59	297.19
(iv) Other financial liabilities	20	5.59	17.30
(b) Other current liabilities	21	1.62	11.79
(c) Provisions	22	0.10	0.45
(d) Income tax liabilities (net)	23	2.35	1.59
Total current liabilities		375.82	504.68
Total equity and liabilities		1,121.85	1,178.27

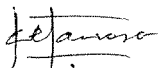
Summary of material accounting policies

The accompanying notes are an integral part of the financial statements.

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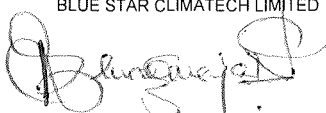
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In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants



Ketan Vora
Partner
Membership No. 100459
Date: May 05, 2026
Place: Mumbai

For and on behalf of the Board of Directors of
BLUE STAR CLIMATECH LIMITED

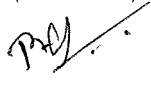
 

B. Thiagarajan
Director
(DIN: 01790498)

Vir S. Advani
Director
(DIN: 01571278)



Manish Jha
Chief Executive Officer



Sivakumar Ramani
Chief Financial Officer

Neha Roy
Company Secretary

Date: April 24, 2026
Place: Mumbai

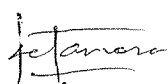
BLUE STAR CLIMATECH LIMITED
CIN No : U29243MH2021PLC360573
Statement of profit and loss for the year ended March 31, 2026

Particulars	Notes	For the year ended March 31, 2026	For the year ended March 31, 2025
		₹ Crores	₹ Crores
Revenue from operations	24	1,509.31	1,484.24
Other income	25	3.44	2.18
Total income (I)		1,512.75	1,486.42
Expenses			
Cost of raw materials consumed (including direct project and service cost)	26	1,292.41	1,300.69
Changes in inventories of finished goods and work-in-progress	26	3.58	(16.80)
Employee benefits expense	27	54.30	54.98
Finance costs	28	10.85	8.19
Depreciation and amortisation expense	29	36.93	30.69
Other expenses	30	33.09	34.02
Total expenses (II)		1,431.16	1,411.77
Profit before exceptional items and tax (I) – (II)		81.59	74.65
Exceptional items	31	0.39	-
Profit before tax (I-II)		81.20	74.65
Tax expense			
i) Current tax	23	11.37	7.30
ii) Deferred tax	23	2.81	5.83
Total tax expense		14.18	13.13
Net profit after tax		67.02	61.52
Other comprehensive income / (loss) not to be reclassified to profit or loss in subsequent periods:			
Re-measurement gains/(losses) on defined benefit plans		0.05	(0.07)
Income tax effect	23	(0.01)	0.01
Other comprehensive income/(loss) for the year		0.04	(0.06)
Total comprehensive income for the year		67.06	61.46
Earnings per share	32		
Basic (in ₹)		1.23	1.15
Diluted (in ₹)		1.23	1.15

Summary of material accounting policies
The accompanying notes are an integral part of the financial statements.

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1 to 47

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants



Ketan Vora
Partner
Membership No. 100459
Date: May 05, 2026
Place: Mumbai

on

For and on behalf of the Board of Directors of
BLUE STAR CLIMATECH LIMITED



B. Thiagarajan
Director
(DIN: 01790498)

Vir S. Advani
Director
(DIN: 01571278)



Manish Jha
Chief Executive Officer



Sivakumar Ramani
Chief Financial Officer



Neha Roy
Company Secretary

Date: April 24, 2026
Place: Mumbai

Particulars	₹ in Crores	
	For the year ended March 31, 2026	For the year ended March 31, 2025
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	81.20	74.65
Adjustments to reconcile profit before tax to net cash flows		
Depreciation and amortisation expenses	36.93	30.69
Finance cost	10.85	8.19
Interest income	(0.08)	(0.07)
Gain on sale of mutual fund	(0.45)	(1.98)
Net Translation gain on monetary assets/liabilities	2.33	(1.05)
Loss on sale of property, plant & equipment other than freehold land	0.79	0.30
Bad debts written off and provision for doubtful debts	0.05	-
Provisions and liabilities written back	(2.80)	-
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	128.82	110.73
Adjustment for movement in working capital :		
(Increase)/decrease in trade receivables	9.55	(77.82)
(Increase)/decrease in Inventories	47.38	(209.34)
(Increase)/decrease in financial assets / other assets	(6.44)	(30.51)
Increase/(decrease) in trade payables	(51.58)	165.66
Increase/(decrease) in other liabilities	(8.46)	10.61
Increase/(decrease) in provisions	0.29	(0.45)
Cash (used in) / generated from operations	119.56	(31.13)
Income taxes paid	(10.02)	(7.33)
Net cash (used in) / generated from operating activities (A)	109.54	(38.46)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipments and other intangible assets [including capital work-in-progress and intangibles under development]	(42.21)	(87.10)
Proceeds from sale of property, plant and equipment	0.40	1.03
(Purchase) of current investments	(545.10)	(276.75)
Sale of current investments	541.26	302.88
Interest received	0.08	0.07
Net cash used in investing activities (B)	(45.57)	(59.87)
CASH FLOWS FROM FINANCING ACTIVITIES		
Inter corporate deposit taken from Holding Company & Fellow subsidiary	440.00	213.00
Inter corporate deposit repaid to Holding Company & Fellow subsidiary	(495.00)	(133.00)
Proceeds from Short term borrowings (Inter corporate deposit)	-	-
Repayment of lease liabilities	(1.30)	(0.62)
Finance cost paid	(10.23)	(7.80)
Proceeds from issue of equity shares	-	29.44
Net cash (used in) / generated from financing activities (C)	(66.53)	101.02
NET DECREASE IN CASH AND CASH EQUIVALENTS (A + B + C)	(2.56)	2.70
Cash and cash equivalents at the beginning of the year	5.99	3.29
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	3.43	5.99
CASH AND CASH EQUIVALENTS COMPRISES OF :		
Balances with banks:		
- In current accounts	3.42	5.98
Cash on hand	0.01	0.01
Balance as per statement of cash flows	3.43	5.99

Note:

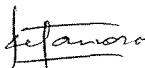
The above Statement of cash flows has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS 7) - Statement of Cash Flows.

Summary of material accounting policies

The accompanying notes are an integral part of the financial statements.

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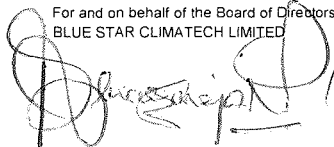
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Chartered Accountants

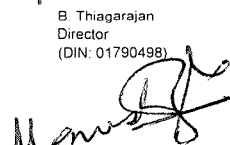

Ketan Vora
Partner

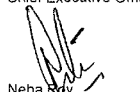
Membership No. 100459
Date: May 05, 2026
Place: Mumbai



For and on behalf of the Board of Directors of
BLUE STAR CLIMATECH LIMITED

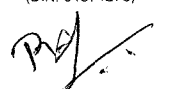

B. Thiagarajan
Director
(DIN: 01790498)


Manish Jha
Chief Executive Officer


Neha Roy
Company Secretary

Date: April 24, 2026
Place: Mumbai

Vir S. Advani
Director
(DIN: 01571278)


Sivakumar Ramani
Chief Financial Officer

(A) Equity Share Capital

For the year ended March 31, 2026

				₹ Crores
Balance as at April 1, 2025	Changes in equity share capital due to prior period errors	Restated balance at the beginning of the current reporting year	Changes in equity share capital during the current year	Balance at the end of the current reporting year
544.44	-	-	-	544.44

For the year ended March 31, 2025

				₹ Crores
Balance as at April 1, 2024	Changes in equity share capital due to prior period errors	Restated balance at the beginning of the current reporting year	Changes in equity share capital during the current year	Balance at the end of the current reporting year
515.00	-	-	29.44	544.44

(B) Other Equity

For the year ended March 31, 2026

	₹ Crores	
Particulars	Reserves and surplus	
	Retained Earning (refer note 16)	Total other equity
Balance as at April 1, 2025	75.09	75.09
Profit for the year	67.02	67.02
Other comprehensive income for the year (net of tax)	0.04	0.04
Total comprehensive income for the year	67.06	67.06
Balance as at March 31, 2026	142.15	142.15

For the year ended March 31, 2025

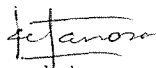
	₹ Crores	
Particulars	Reserves and surplus	
	Retained Earning (refer note 16)	Total Other Equity
Balance as at April 1, 2024	13.63	13.63
Profit for the year	61.52	61.52
Other comprehensive income/(loss) for the year (net of tax)	(0.06)	(0.06)
Total comprehensive income for the year	61.46	75.09
Balance as at March 31, 2025	75.09	75.09

Summary of material accounting policies

The accompanying notes are an integral part of the financial statements.

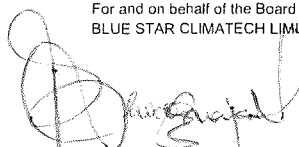
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In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants



Ketan Vora
Partner
Membership No. 100459
Date: May 05, 2026
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For and on behalf of the Board of Directors of
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(DIN: 01571278)



Manish Jha
Chief Executive Officer



Neha Roy
Company Secretary

Date: April 24, 2026
Place: Mumbai



SivaKumar Ramani
Chief Financial Officer

1 CORPORATE INFORMATION

Blue Star Climatech Limited ("the Company") is a public company incorporated on 17th May, 2021 to carry on the business as manufacturer and dealer of all kinds of air conditioners, commercial refrigeration equipment, cooling appliances and other related products. The registered office of the Company is located at Kasturi Buildings, Jamshedji Tata Road, Mohan T Advani Chowk, Mumbai – 400020.

The financial statements of the Company were approved by its Board of Directors on April 24, 2026.

STATEMENT OF COMPLIANCE

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time and other accounting principles generally accepted in India.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES

(a) Basis of preparation and presentation

The financial statements have been prepared on a historical cost convention and on an accrual basis, except for certain items that are measured at fair value at the end of each reporting period as required by relevant Ind AS:

- Financial assets and financial liabilities measured at fair value (refer accounting policy on financial Instruments);
- Defined benefit and other long-term employee benefits.

The Financial Statements of the Company have been prepared to comply with the Indian Accounting standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter and Presentation and disclosure requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS Compliant Schedule III) as amended from time to time.

The accounting policies adopted for preparation and presentation of financial statement have been consistent with previous year.

The financial statements are presented in and all values are rounded to the nearest crores, except when otherwise indicated.

(b) Critical accounting judgments and key sources of estimation uncertainty

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and judgments that affect the reported balances of assets and liabilities, disclosures relating to contingent assets and liabilities, and the reported amounts of income and expense for the periods presented.

Estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the periods in which the estimates are revised and in future periods affected.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are disclosed in Note 3.

(c) Revenue recognition

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. Revenue is net off trade discounts, rebates, and other similar allowances. Revenue excludes indirect taxes which are collected on behalf of the Government.

i. Revenue from sale of goods:

Revenue from the sale of goods i.e. air conditioners, commercial refrigeration equipment, cooling appliances and other related products is recognized at the point in time when control is transferred to the customer, which generally coincides with transfer of goods to the transporters. The normal credit term is 30 days. Indicators that control has been transferred include the establishment of the Company's present right to receive payment for the goods sold, transfer of legal title to the customer, transfer of physical possession to the customer, transfer of significant risks, and rewards of ownership in the goods to the customer, and the acceptance of the goods by the customer.

ii. Interest income:

Interest income is recognized using the effective interest method.

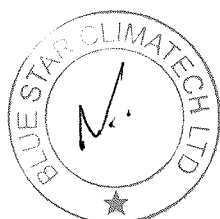
iii. Government grant

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

(d) Employee benefits

Short term benefits:

Salaries, wages, short-term compensated absences, and other short-term benefits, accruing to employees are recognized at undiscounted amounts in the period in which the employee renders the related service.



Retirement benefits

Defined contribution plan:

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered the service entitling them to the contribution.

Defined benefit plan:

Payments to defined benefit plans are recognized as an expense when employees have rendered the service entitling them to the contribution. The present value of defined benefit obligation of employees' provident fund is determined using the projected unit credit method, with actuarial valuations being carried out at each year end.

The Company's liability towards gratuity is determined based on the present value of the defined benefit obligation and fair value of plan assets and the net liability or asset is recognized in the balance sheet. The net liability or asset represents the deficit or surplus in the plan (the surplus is limited to the present value of the economic benefits available in the form of refunds from the plan or reductions in future contributions). The present value of the defined benefit obligation is determined using the projected unit credit method, with actuarial valuations being carried out at each year end. Defined benefit costs are composed of:

- i. service cost – recognized in profit or loss;
- ii. net interest on the net liability or asset - recognized in profit or loss;
- iii. re-measurement of the net liability or asset - recognized in other comprehensive income

Other long-term employee benefits:

Compensated absences that are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognized as a liability at the present value of the defined benefit obligation at the balance sheet date.

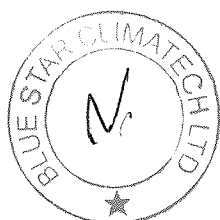
Share based payments :

Employees (including senior executives) of the Company receive remuneration in the form of share based payment transactions, whereby employees render services as consideration for equity instruments. In accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the Ind-AS 102 Share based payments, the fair value of options granted under the scheme, cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit recognized in the Statement of Profit and Loss for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits expense.

Where the terms of an equity-settled transaction award are modified, the minimum expense recognized is the expense as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total intrinsic value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. The Employee stock option scheme is administered through Blue Star ESOP Trust.

BLUE STAR EMPLOYEES STOCK OPTION SCHEME

The Company's Parent company (Blue Star Limited) operates equity settled share-based plan for the employees (Referred to as employee stock option plan (ESOP) of Blue Star Limited). ESOP granted to the employees are measured at fair value of the stock options at the grant date. Such fair value of the equity settled share based payments are expensed on a straight line basis over the vesting period, based on the Parent Company's estimate of equity shares that will eventually vest. The Parent Company recovers the expenses for the stock options granted to the employees of the Company. The said recovery is shown under Employee benefits expenses (employee stock option expense) of the company.



(e) Leases

As a lessee

At the inception of a contract, the Company assesses whether a contract is or contains a lease. A contract is, or contains, a lease if a contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At the date of commencement of a lease, the Company recognizes a right-of-use asset ("ROU assets") and a corresponding lease liability for all leases, except for short-term leases and low-value leases. Certain lease arrangements include the option to extend or terminate the lease before the end of the lease term. Lease payments to be made under such reasonably certain extension options are included in the measurement of ROU assets and lease liabilities.

The incremental borrowing rate is determined based on the specific terms of the lease, including its tenure, currency and commencement date, and is derived using a combination of observable market data and entity-specific inputs such as the risk-free rate based on relevant government bond yields, appropriate country-specific risk premiums, and credit risk adjustments reflecting the entity's own credit profile, along with any further adjustments required to reflect differences in the entity's risk characteristics where applicable.

(a) Right-of-use asset :

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis from commencement date to earlier of, the end of useful life of the ROU assets or the end of the lease term. The Right of use asset are also subject to impairment. Refer to the accounting policies in section "K" impairment of non-financial assets.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Office building 1 to 7 years

(b) Lease liability :

Lease liability is measured by discounting the lease payments using the interest rate using the incremental borrowing rates. Lease liabilities are re-measured with a corresponding adjustment to the related right of use asset if the Company changes its assessment of whether it will exercise an extension or a termination option.

The company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).

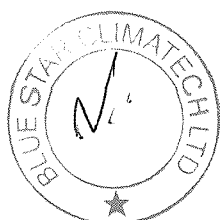
The Company has opted for the exemption provided under Ind AS 116 for short-term leases and leases of low-value assets, hence the lease payments associated with those leases are treated as an expense on a straight-line basis over the lease term.

(f) Foreign currencies

The functional currency of the Company is the Indian rupee (₹).

Transactions in foreign currencies are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are retranslated at the exchange rate prevailing on the balance sheet date and exchange gains and losses arising on settlement and restatement are recognized in profit or loss.

Foreign currency denominated non - monetary assets and liabilities that are measured at historical cost are not retranslated.



(g) Taxes

Income tax expense comprises current tax expense and the net change during the year, in the deferred tax asset or liability. Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or in equity, in which case the related current and deferred taxes are also recognized in other comprehensive income or equity, in which case the related current and deferred tax are also recognised in other comprehensive income or in equity, respectively.

Current and Deferred Taxes are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Tax assets and tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts.

i. Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with Income Tax Act, 1961. The tax rates and tax laws used to compute the tax are those that are enacted at the reporting date. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the company supported by previous experience in respect of such activities and in certain cases based on independent tax specialist advice.

ii. Deferred tax

Deferred Tax is provided using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

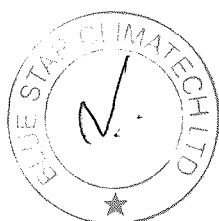
Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities.

(h) Exceptional items

Exceptional items refer to items of income or expense within the income statement from ordinary activities which are non-recurring and are of such size, nature, or incidence that their separate disclosure is considered necessary to explain the performance of the Company and to assist users of financial statements in making projections of future financial performance.



(i) Property, plant and equipment

Property, plant, and equipment are stated at cost, net of accumulated depreciation, and accumulated impairment losses.

The cost of property, plant and equipment comprises its purchase price, including applicable import duties and non-refundable taxes, and any directly attributable costs required to bring the asset to the location and condition necessary for it to operate as intended. Costs incurred on replacement of significant components are recognised in the carrying amount of the asset when the recognition criteria are met. All other repairs and maintenance costs are recognised in profit or loss as incurred.

When significant components of plant and equipment are replaced separately, the Company depreciates them based on the useful lives of the components. Leasehold land is depreciated on a straight line basis over the period of the lease. All other assets are depreciated to their residual values on a straight line value basis over their estimated useful lives. The estimated useful lives of the assets are as follows:

Nature of tangible asset	Useful life (years)
Buildings (Factory Building, Other buildings, Roads & Temporary structure)	3-60
Plant & Machinery (Patterns, moulds and dies)	5-20
Leasehold Improvements (Infrastructure development rights)	30
Furniture and fixtures	10
Office equipment	5
Vehicles	5
Computer - desktop, laptops , servers and networks	3

Useful lives of plant and machinery are higher than those indicated in Schedule II to the Companies Act, 2013 based on management estimates and technical assessment made by a technical expert.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in profit or loss.

The residual values, useful lives, and methods of depreciation of property, plant, and equipment are reviewed at each financial year end and adjusted prospectively, as appropriate.

Capital work-in-progress and capital advance

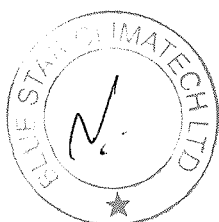
Cost of assets not ready for intended use, as on the balance sheet date, is shown as capital work in progress. The cost comprises purchase price, borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Advances paid for the acquisition | construction of PPE which are outstanding at the Balance Sheet date are classified under the 'Capital Advances'.

(j) Intangible assets

Intangible assets acquired are measured on initial recognition at cost. After initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Intangible assets with finite lives are amortised on a straight- line basis over their estimated useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Intangible assets are derecognised on disposal, or when no further economic benefits are expected from use or disposal. Any gain or loss arising from derecognition is included in profit or loss.

Nature of intangible asset	Useful life
Software (Acquired)	6

The residual values, useful lives, and methods of depreciation of Intangible assets are reviewed at each financial year end and adjusted prospectively, as appropriate.



(k) Impairment of non-financial assets

i. Non-financial assets :

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Companies of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses including impairment on inventories are recognised in the statement of profit and loss.

For assets, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss.

(l) Financial instruments

Recognition and initial measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognized by the Company when it becomes a party to the contractual provisions of the financial instrument.

Financial assets and financial liabilities are initially measured at fair value, except for trade receivables that do not have a significant financing component which are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of a financial instrument are adjusted to fair value, except where the financial instrument is measured at Fair Value through profit or loss, in which case the transaction costs are immediately recognized in profit or loss.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Financial assets

Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks that are unrestricted for withdrawal and usage.

For the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

Financial assets at amortised cost

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business whose objective is to hold these assets to collect contractual cash flows and the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

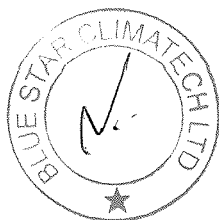
Wherever the customer has raised issue on contractual / performance obligation on goods and services delivered or received and is under discussion with the customer are treated as the disputed amount.

Trade Receivables

Trade receivables are financial assets within the scope of measurement requirements of Ind AS 109. All financial assets are initially at fair value plus or minus the transaction cost. Financial assets in the form of trade receivables, shall be initially measured at their transaction price unless those contain a significant financing component determined in accordance with Ind AS 115.

Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is achieved both by collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.



Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless they are measured at amortised cost or fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the 'other income' line item (note 25). Fair value is determined in the manner described in note 40 (B).

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred to repurchase in the near term.

Whenever the vendor has raised issue on contractual / performance obligation on goods and services delivered or received and is under discussion with the vendor are treated as the disputed amount.

Financial liabilities are designated upon initial recognition at fair value through profit or loss only if the criteria in Ind AS 109 are satisfied.

Other financial liabilities

Other financial liabilities (including borrowings, financial guarantee contracts and trade, and other payables) are after initial recognition, measured at amortized cost using the effective interest (EIR) method.

Offsetting of financial assets and financial liabilities:

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received net off direct issue costs.

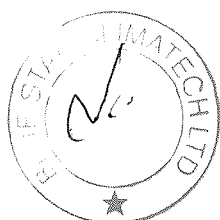
Derivative financial instruments

The Company enters into derivative contracts to hedge foreign currency/price risk on unexecuted firm commitments or highly probable forecast transactions. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at the end of each reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedged item.

Derecognition of financial instruments

The Company derecognizes a financial asset when the contractual rights to the cash flow from the financial asset expire or it transfers the financial asset and the transfer qualifies for de-recognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.



Fair value measurement

When the fair values of financial assets or financial liabilities recorded or disclosed in the financial statements cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include consideration of inputs such as liquidity risk, credit risk, and volatility.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in their entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
Level 3 inputs are unobservable inputs for the asset or liability.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting year.

(m) Inventories

Inventories including Work- in- Progress (other than construction contracts) are valued at cost or net realizable value, whichever is lower, the cost is worked out on a weighted average basis. Cost includes all charges for bringing the goods to their present location and condition. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

(n) Provisions and contingencies

Provisions

A provision is recognized when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingencies

Contingent liabilities exist when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company, or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or the amount cannot be reliably estimated. Contingent liabilities are appropriately disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

Contingent assets are not recognized in the financial statements. However, where an inflow of economic benefits is probable, the Company discloses the same in the financial statements

(o) Segment reporting

The Company is engaged only in the business of manufacturing and dealing room air conditioners in India. It has no other reportable segments as per the terms of Indian Accounting Standards (Ind AS) 108 on Segment Reporting.

(p) Operating Cycle

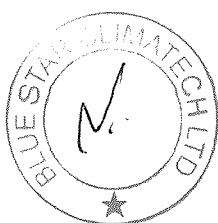
The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The entity's operating cycle is twelve months.

(p) Earnings per share

The Companies Earnings per Share ('EPS') is determined based on the net profit attributable to the equity shareholders of the Company.

Basic earnings per share are calculated by dividing the profit from continuing operations and total profit, both attributable to equity shareholders of the company by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share are computed using the weighted average number of common and dilutive shares outstanding during the year including share-based payments, except where the result would be anti-dilutive.



(q) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction, or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Interest on Borrowing is calculated using Effective Interest Rate (EIR) method and is recognised in profit or loss.

(r) Current / Non-current classification :

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The entity's operating cycle is twelve months.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as noncurrent assets and liabilities.

Recent accounting pronouncements:

New and amended IND AS effective from April 01, 2025

The Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under the Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2026, MCA has notified below amendments to the Ind ASs that are effective for an annual period that begins on or after 1 April 2025.

Amendments to Ind AS 21 The Effect of Changes in Foreign Exchange Rates titled Lack of Exchangeability.

Amendments to Ind AS 7 Statement of Cash Flows and Ind AS 107 Financial Instruments: Disclosures titled Supplier Finance Arrangements.

Amendments to Ind AS 1 Presentation of Financial Statements.

Amendments to Ind AS 12 Income Taxes titled International Tax Reform Pillar Two Model Rules. The Company has evaluated the new pronouncements or amendments and there is no impact on its Financial Statements.

New and amended IND AS issue but not yet effective

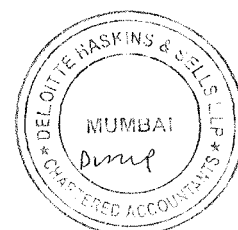
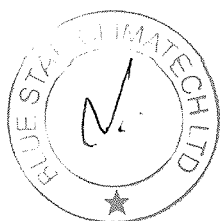
The Ministry of Corporate Affairs (MCA) notifies new standards or amendments to the existing standards. At the date of authorisation of these financial statements, the Company has not applied the following new and revised Ind AS that have been issued but are not yet effective:

Amendments to Ind AS 1 Presentation of Financial Statements: Where a covenant breach exists on or before the reporting date and, as a result, the liability becomes payable on demand on that date, the liability must be classified as current, even if the lender subsequently (i.e., after the reporting date but before approval of the financial statements) agrees not to demand payment.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the Company's financial statements requires Management to make judgements, estimates, and assumptions about the reported amounts of assets and liabilities, and, income and expenses that are not readily apparent from other sources. Such Judgements, estimates, and associated assumptions are evaluated based on the Company's historical experience, existing market conditions, as well as forward-looking estimates including estimation of the effects of uncertain future events, which are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgements and estimations that have been made by the management in the process of applying the Company's accounting policies and that have the most significant effect on the amount recognized in the financial statements and/or key sources of estimation uncertainty that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.



Inventory

The Company has a defined policy for provision of slow and non-moving inventory based on the ageing of inventory. Obsolete and other non-saleable inventory are adjusted to reflect the recoverable value of inventory. The Company reviews the policy at regular intervals.

Useful lives of property, plant and equipment and intangible assets

Management reviews the useful lives of property, plant, and equipment and intangible assets at least once a year. The lives are dependent upon an assessment of both the technical lives of the assets and also their likely economic lives based on various internal and external factors including relative efficiency and operating costs and anticipated technological changes. Accordingly, depreciable lives are reviewed annually using the best information available to the Management.

Employee benefit plans

The present value of defined benefit obligations is determined on an actuarial basis using underlying assumptions, including the discount rate, mortality rate and expected increase in salary costs. Any changes in these assumptions will impact the carrying amount of obligations.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk, and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Intangible asset under development

The Company capitalizes intangible assets under development for a project in accordance with the accounting policy. The initial capitalization of costs is based on management's judgement that technological and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalized, management makes assumptions regarding the expected future cash generation of the project, discount rates to be applied, and the expected period of benefits.

Impairment of financial assets

The impairment provision for financial assets (other than trade receivables) is based on assumptions of risk of default and expected loss rates. The Company makes judgements about these assumptions for selecting the inputs to the impairment calculation, based on the Company's history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Trade receivables are stated at their nominal values as reduced by appropriate allowances for estimated irrecoverable amounts which are based on the ageing of the receivable balances and historical experiences. Individual trade receivables are written off when management deems them not collectible.

The Company applies expected credit losses (ECL) model for measurement and recognition of loss allowance on the following :

- i. Trade receivables
- ii. Financial assets measured at amortised cost (other than trade receivables)
- iii. Financial assets measured at fair value through other comprehensive income (FVTOCI)

In case of trade receivables, the Company follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognised as loss allowance.

In case of other assets (listed as (ii) and (iii) above), the Company determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognised as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognised as loss allowance. Subsequently, if the credit quality of the financial asset improves such that there is no longer a significant increase in credit risk since initial recognition, the Company reverts to recognizing impairment loss allowance based on 12-month ECL.

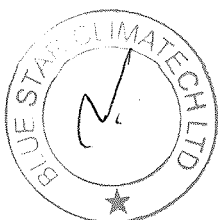
ECL are measured in a manner that they reflect unbiased and probability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

As a practical expedient, the Company uses a provision matrix to measure lifetime ECL on its portfolio of trade receivables. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates. At each reporting date, the historically observed default rates and changes in the forward-looking estimates are updated.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the Standalone Statement of Profit and Loss.

Income Taxes

Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions. In assessing the realizability of deferred tax assets arising from unused tax credits, the management considers convincing evidence about availability of sufficient taxable income against which such unused tax credits can be utilized. The amount of the deferred income tax assets considered realizable, however, could be reduced if estimates of future taxable income during the carry forward period are reduced.



4 PROPERTY PLANT AND EQUIPMENT

₹ Crores

Particulars	Leasehold improvements	Buildings	Plant and equipment	Furniture & fixtures	Office equipment	Vehicles	Computers	Total
Gross carrying value								
As at April 1, 2024	75.41	109.69	186.14	0.98	5.99	0.66	4.05	382.92
Additions during the year	-	67.19	101.69	0.58	0.33	0.11	0.45	170.35
Disposals / Transfers during the year	-	-	(0.70)	-	-	(0.15)	-	(0.85)
Re-classification during the year	-	-	-	-	0.05	-	0.20	0.25
As at March 31, 2025	75.41	176.88	287.13	1.56	6.37	0.62	4.70	552.67
As at April 1, 2025	75.41	176.88	287.12	1.56	6.37	0.62	4.71	552.67
Additions during the period	-	11.84	35.85	1.49	0.10	0.14	1.10	50.52
Disposals / Transfers during the period	-	-	(0.91)	(0.04)	-	(0.13)	-	(1.08)
As at March 31, 2026	75.41	188.72	322.06	3.01	6.47	0.63	5.81	602.11
Accumulated Depreciation								
As at April 1, 2024	3.63	4.37	15.49	0.06	1.19	0.08	1.00	25.82
Disposals / Transfers during the year	-	-	(0.11)	-	-	(0.02)	-	(0.13)
Depreciation charged for the year	2.51	4.64	19.80	0.12	1.17	0.14	1.38	29.76
Re-classification during the year	-	-	-	-	0.01	-	0.04	0.05
As at March 31, 2025	6.14	9.01	35.18	0.18	2.37	0.20	2.42	55.50
As at April 1, 2025	6.14	9.00	35.18	0.19	2.37	0.20	2.42	55.50
Disposals / Transfers during the period	-	-	(0.19)	(0.00)	(0.00)	(0.05)	-	(0.24)
Depreciation charged for the period	2.52	5.92	23.78	0.21	1.22	0.11	1.76	35.52
As at March 31, 2026	8.66	14.92	58.77	0.40	3.59	0.26	4.18	90.78
Net Book Value								
As at March 31, 2026	66.75	173.80	263.29	2.61	2.88	0.37	1.63	511.33
As at March 31, 2025	69.27	167.87	251.95	1.38	4.00	0.43	2.27	497.17

5 Capital Work in Progress

₹ Crores

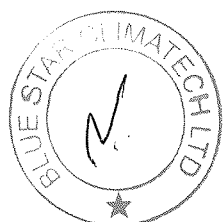
Capital Work in Progress	As at March 31, 2026	As at March 31, 2025
Balance at the beginning of the year	20.10	82.88
Addition during the year	35.59	107.57
Less: Transfer during the year	(50.52)	(170.35)
Balance at the end of the year	5.18	20.10

Ageing of Capital work in progress

₹ Crores

Particulars	As at March 31, 2026					As at March 31, 2025				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	1.57	3.61	-	-	5.18	20.10	-	-	-	20.10
Projects temporarily suspended	-	-	-	-	-	-	-	-	-	-
Total capital work in progress	1.57	3.61	-	-	5.18	20.10	-	-	-	20.10

- Note:**
- Refer note 35 for disclosure of contractual commitment for acquisition of property, plant and equipment.
 - According to assessment of the management, there are no events or changes in circumstances that suggest impairment of PPE as per IND AS 36 Impairment of assets. Consequently, no provision for impairment has been reported.
 - There are no projects/items forming part of above schedule whose completion is overdue or has exceeded its cost compared to its original plan.



BLUE STAR CLIMATECH LIMITED

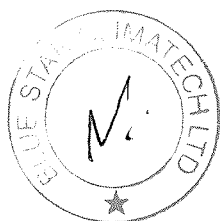
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Notes to Financial Statements for the year ended March 31, 2026

6. RIGHT OF USE ASSETS

₹ Crores

Particulars	Land - leasehold	Buildings	Total
	₹ Crores	₹ Crores	₹ Crores
Gross carrying value			
As at April 1, 2024	13.12	7.28	20.40
Additions during the year	-	-	-
Disposals / Transfers during the year	-	-	-
As at March 31, 2025	13.12	7.28	20.40
As at April 1, 2025	13.12	7.28	20.40
Additions during the period	-	-	-
Disposals / Transfers during the period	-	-	-
As at March 31, 2026	13.12	7.28	20.40
Accumulated Amortisation			
As at April 1, 2024	0.21	-	0.21
Amortisation for the year	0.13	0.61	0.74
As at March 31, 2025	0.34	0.61	0.95
As at April 1, 2025	0.34	0.61	0.95
Amortisation for the period	0.14	1.04	1.18
As at March 31, 2026	0.48	1.65	2.13
Net Book Value			
As at March 31, 2026	12.64	5.63	18.27
As at March 31, 2025	12.78	6.67	19.45



7A. INTANGIBLE ASSETS

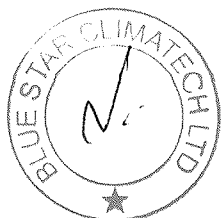
₹ Crores

Particulars	Software (Acquired)	Total
Gross carrying value		
As at April 1, 2024	1.23	1.23
Additions during the year	0.31	0.31
Re-classification during the year	(0.25)	(0.25)
As at March 31, 2025	1.29	1.29
As at April 1, 2025	1.29	1.29
Additions during the period	0.36	0.36
Disposal/Transfer during the year	(0.11)	(0.11)
As at March 31, 2026	1.54	1.54
Amortisation		
As at April 1, 2024	0.23	0.23
Disposal/Transfer during the year	(0.05)	(0.05)
Amortisation for the year	0.19	0.19
As at March 31, 2025	0.37	0.37
As at April 1, 2025	0.37	0.37
Disposal/Transfer during the year	(0.04)	(0.04)
Amortisation for the period	0.23	0.23
As at March 31, 2026	0.56	0.56
Net Book Value		
As at March 31, 2026	0.98	0.98
As at March 31, 2025	0.92	0.92

7B. INTANGIBLE ASSETS UNDER DEVELOPMENT

₹ Crores

Intangible assets under development	As at March 31, 2026	As at March 31, 2025
Balance as the beginning of the year	-	0.04
Add: Addition during the year	0.36	0.27
Less: Deletion during the year	0.36	0.31
Total intangible assets under development	-	-



8. INVESTMENTS

₹ Crores

Particulars	As at March 31, 2026	As at March 31, 2025
	₹ Crores	₹ Crores
I. Current investments		
Unquoted investment in mutual funds		
Growth Scheme		
Nil Units (March 31, 2025 : 89,717.420 Units) in ABSL Liquid fund - Growth Direct	-	3.75
Nil Units (March 31, 2025 : 7,291.320 Units) in ABSL Overnight - Growth Direct	-	1.01
63,483.194 Units (March 31, 2025 - Nil Units) in Axis Overnight Fund - Growth Direct	9.05	-
Total Current investments	9.05	4.76

9. LOANS (UNSECURED CONSIDERED GOOD UNLESS OTHERWISE STATED)

₹ Crores

Particulars	Non-current		Current	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
	₹ Crores	₹ Crores	₹ Crores	₹ Crores
Measured at amortised cost				
Loans to employees, considered good	0.27	0.25	0.07	0.06
Total loans	0.27	0.25	0.07	0.06

1. The company has not made loans or advances in the nature of loans to promoters, directors, KMPs and the related parties either severally or jointly with any other person that are repayable on demand or without specifying any terms or period of repayment.
2. Loans given to employees are as per the terms of employment.

10. OTHER FINANCIAL ASSETS

₹ Crores

Particulars	Non-current		Current	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
	₹ Crores	₹ Crores	₹ Crores	₹ Crores
Security deposits, considered good	1.34	1.03	0.02	0.02
Security deposits, credit impaired	-	-	-	-
Less: Allowance for doubtful deposits	-	-	-	-
	1.34	1.03	0.02	0.02
PLI Receivable	-	-	27.00	18.00
Financial assets at fair value through profit or loss				
Derivatives not designated as hedges				
Foreign exchange forward contracts**	-	-	0.06	-
Total other financial assets	1.34	1.03	27.08	18.02

**Foreign exchange forward contracts

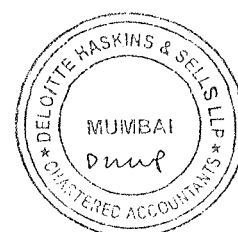
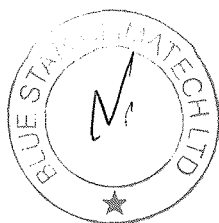
The Company enters into foreign exchange forward contracts with the intention of reducing the foreign exchange risk of buyers credit and trade payables. These contracts are not designated in hedge relationships and are measured at fair value through profit or loss.

11. INVENTORIES

(Valued at lower of cost and net realisable value)

Particulars	As at March 31, 2026	As at March 31, 2025
	₹ Crores	₹ Crores
Raw materials & components	245.13	288.93
Work-in-progress	41.85	44.66
Finished goods	0.20	0.96
Total inventories	287.18	334.55
Inventories includes Goods-in-transit		
Raw materials & components	29.97	96.76
Total goods-in-transit	29.97	96.76

The above inventory values are net of provisions made of ₹ 1.86 Crores (March 31, 2025 - ₹ Nil) for obsolete inventory.



12. TRADE RECEIVABLES

Particulars	Current	
	As at March 31, 2026 ₹ Crores	As at March 31, 2025 ₹ Crores
Trade receivables considered good - unsecured	206.61	216.16
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	-	-
	206.61	216.16
Less: Allowance for doubtful debts and credit loss	-	-
Total trade receivables	206.61	216.16

Ageing of trade receivables

₹ Crores

Particulars	As at March 31, 2026						
	Outstanding for following periods from due date of Payments						
	Not due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed							
Trade receivables considered good - unsecured	206.19	0.12	0.30	0.00	-	-	206.61
Trade receivables which have significant increase in credit risk	-	-	-	-	-	-	-
Trade receivables - credit impaired	-	-	-	-	-	-	-
	206.19	0.12	0.30	0.00	-	-	206.61
Disputed							
Trade receivables considered good - unsecured	-	-	-	-	-	-	-
Trade receivables which have significant increase in credit risk	-	-	-	-	-	-	-
Trade receivables - credit impaired	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Total trade receivables	206.19	0.12	0.30	0.00	-	-	206.61
Less: Allowance for doubtful debts and credit loss	-	-	-	-	-	-	-
Total trade receivables	206.19	0.12	0.30	0.00	-	-	206.61

Ageing of trade receivables

₹ Crores

Particulars	As at March 31, 2025						
	Outstanding for following periods from due date of Payments						
	Not due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed							
Trade receivables considered good - unsecured	172.40	43.76	-	-	-	-	216.16
Trade receivables which have significant increase in credit risk	-	-	-	-	-	-	-
Trade receivables - credit impaired	-	-	-	-	-	-	-
	172.40	43.76	-	-	-	-	216.16
Disputed							
Trade receivables considered good - unsecured	-	-	-	-	-	-	-
Trade receivables which have significant increase in credit risk	-	-	-	-	-	-	-
Trade receivables - credit impaired	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Total trade receivables	172.40	43.76	-	-	-	-	216.16
Less: Allowance for doubtful debts and credit loss	-	-	-	-	-	-	-
Total trade receivables	172.40	43.76	-	-	-	-	216.16

13. CASH AND CASH EQUIVALENT

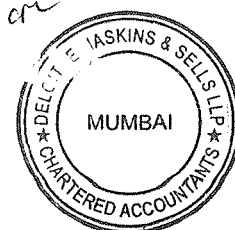
Particulars	As at March 31, 2026 ₹ Crores	As at March 31, 2025 ₹ Crores
Cash and cash equivalent		
Balances with banks:		
- In current accounts	3.42	5.98
Cash on hand	0.01	0.01
Total cash and cash equivalent	3.43	5.99

14 OTHER ASSETS

Particulars	Non-current		Current	
	As at March 31, 2026 ₹ Crores	As at March 31, 2025 ₹ Crores	As at March 31, 2026 ₹ Crores	As at March 31, 2025 ₹ Crores
Capital advances	0.30	5.47	-	-
Reserve for doubtful advances	(0.04)	-	-	-
Capital advances (Net)	0.26	5.47	-	-
Balance with statutory authorities (Net) (Refer note below)	41.19	38.87	7.69	7.25
Vendor advances	-	-	0.51	6.36
Less: Allowance for doubtful vendor advance	-	-	(0.01)	-
Vendor advances (Net)	-	-	0.50	6.36
Prepaid expenses	-	0.02	1.33	1.15
Total other assets	41.45	44.36	9.52	14.76

Note:

Balance with statutory authorities (non-current) pertains to custom duty, integrated goods and service tax, social welfare surcharge deferred against bonded manufacturing scheme (MOOWR scheme) on import of capital goods. The company have also recognised corresponding liability for the same amount under dues to statutory authorities under (non-current) in other current liabilities (refer Note No 21)



15 EQUITY SHARE CAPITAL

Share capital	Equity shares of ₹ 10 each		Cumulative compulsorily convertible preference shares of ₹ 100 each	
	Number of shares	₹ Crores	Number of shares	₹ Crores
At April 1, 2024	750,000,000	750.00	200,000	2.00
Increase/(Decrease) during the year	-	-	-	-
At March 31, 2025	750,000,000	750.00	200,000	2.00
Increase/(Decrease) during the year	-	-	-	-
At March 31, 2026	750,000,000	750.00	200,000	2.00

Terms/Rights attached to Equity Shares

The Company has one class of Equity Shares having par value of ₹ 10 per share. Each share holder is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend, if any.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in the proportion of number of equity shares held by the shareholders.

Terms/Rights attached to cumulative convertible preference shares and cumulative compulsorily convertible preference shares

Each convertible preference share is convertible at the option of the shareholders into Equity shares.

The preference shares shall rank for the dividend in priority to the equity shares of the Company in the event of increase in share capital or winding up of the Company upto amount of dividend or any arrears of dividend. Preference share holders will not have any further right to participate in the profits or assets of the Company.

Issued share capital

Equity shares of ₹ 10 each issued, subscribed & fully paid up	No.	₹ Crores
At April 1, 2024	515,000,000	515.00
Issue of Share Capital	29,440,000	29.44
At March 31, 2025	544,440,000	544.44
Issue of Share Capital	-	-
At March 31, 2026	544,440,000	544.44

Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	As at March 31, 2026		As at March 31, 2025	
	Numbers	% holding in the class	Numbers	% holding in the class
Blue Star Limited	544,439,994	99.99%	544,439,994	99.99%

Shareholding pattern of promoters and changes in holding during the year

Name of the shareholder	As at March 31, 2026		As at March 31, 2025	
	Numbers	% holding in the class	Numbers	% holding in the class
Blue Star Limited Promoter	544,439,994	99.99%	544,439,994	99.99%

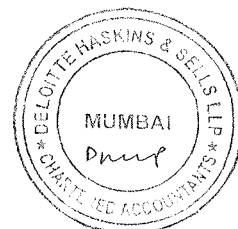
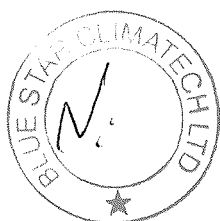
Aggregate number of equity shares issued for consideration other than cash

Particulars	Aggregate Number of Shares	
	As at March 31, 2026	As at March 31, 2025
Fully paid Equity Shares	23,600,000	23,600,000

16 OTHER EQUITY

Particulars	As at March 31, 2026	As at March 31, 2025
Retained Earnings	142.15	75.09
Opening balance	75.09	13.63
Add: Profit for the period/year	67.02	61.52
Less: Other comprehensive loss for the period/year (net of tax)	0.04	(0.06)
Closing balance	142.15	75.09
Total	142.15	75.09

Retained earnings - The amount that can be distributed by the Company as dividends to its equity shareholders is determined based on the balance in this reserve and also considering the requirements of the Companies Act, 2013. Thus the amounts reported above are not distributable in entirety.



17 BORROWINGS

Particulars	As at March 31, 2026	As at March 31, 2025
	₹ Crores	₹ Crores
At amortised cost		
Current borrowings		
Unsecured		
Inter corporate deposit received from related parties (Refer note a & Refer Note 34)	85.00	140.00
Total current borrowings	85.00	140.00
Aggregate secured loans	-	-
Aggregate unsecured loans	85.00	140.00
Total borrowings	85.00	140.00

a Intercompany Deposit (Related Party)

Inter Corporate Deposits obtained from Related parties for meeting business requirements with interest ranging 5.96% to 7.75% p.a. (March 31, 2025 : 7.15% to 7.76%) linked to 3 Months T-Bill rate + Spread (0.95%-1.80%) with frequency of interest being paid on last day of the quarter ending (June/Sep/Dec/March). Repayment upon expiry of the tenor or at such time as may be decided by both the parties.

18 Trade Payables

Particulars	As at March 31, 2026	As at March 31, 2025
	₹ Crores	₹ Crores
Total outstanding dues of micro and small enterprises	18.79	35.24
Total outstanding dues of creditors other than micro and small enterprises	261.59	297.19
Total Trade payables	280.38	332.43

DISCLOSURE AS PER SECTION 22 OF MSME ACT

Particulars	As at March 31, 2026	As at March 31, 2025
	₹ Crores	₹ Crores
(a) (i) Principal amount remaining unpaid to any supplier at the end of accounting year	18.27	35.01
(ii) Interest due on above	0.29	0.15
(b) Amount of interest paid by the buyer in terms of section 16 of the Micro, Small & Medium Enterprises Development Act, 2006 (27 of 2006) along with the amount of the payment made to the supplier beyond the appointed day during each accounting year:	-	-
(c) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the due date during the year) but without adding the interest specified under the Micro, Small & Medium Enterprises Development Act, 2006.	-	0.01
(d) Amount of interest accrued and remaining unpaid at the end of each accounting year*	0.52	0.23
(e) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small & Medium Enterprises Development Act, 2006.	0.52	0.23
	18.79	35.24

The information has been given in respect of such vendors to the extent they could be identified as 'Micro and Small Enterprises' on the basis of information available with the Company.

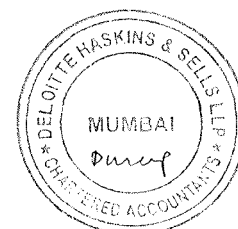
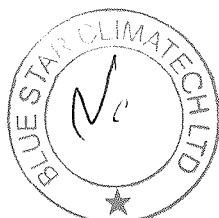
* Interest on overdue balances of Micro and Small Enterprises is fully provided. Interest provided is unclaimed by the vendor.

Ageing of payables

Particulars	As at March 31, 2026						₹ Crores
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total	
Acceptances	35.67						35.67
Undisputed							
Dues to micro enterprises and small enterprises	18.67	0.11	0.00	0.00	-	18.79	
Dues of creditors other than micro and small enterprises	198.18	26.93	0.62	0.20	0.00	225.92	
Less: Allowance for doubtful debts							
	252.52	27.04	0.62	0.20	0.00	280.38	
Disputed							
Dues to micro enterprises and small enterprises	-	-	-	-	-	-	
Dues of creditors other than micro and small enterprises	-	-	-	-	-	-	
	252.52	27.04	0.62	0.20	0.00	280.38	

Ageing of payables

Particulars	As at March 31, 2025						₹ Crores
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total	
Acceptances							-
Undisputed							
Dues to micro enterprises and small enterprises	34.40	0.79	0.05	-	-	35.24	
Dues of creditors other than micro and small enterprises	4.99	290.29	1.59	0.32	-	297.19	
	39.39	291.08	1.65	0.32	-	332.43	
Disputed							
Dues to micro enterprises and small enterprises	-	-	-	-	-	-	
Dues of creditors other than micro and small enterprises	-	-	-	-	-	-	
	39.39	291.08	1.65	0.32	-	332.43	



Note 18A- Supplier Finance Arrangements

18A.1 Nature of supplier finance arrangements

The Company has arrangements with Trade Receivables Discounting System (TReDS) platform to facilitate timely payment of invoices to eligible suppliers through bill discounting or similar mechanisms ("supplier finance arrangements")

Under these arrangements, TReDS platform make payments to suppliers for invoices accepted by the Company. The Company settles the corresponding amount with TReDS platforms in accordance with the original contractual payment terms agreed with the supplier. The Company does not provide any collateral, security or financial guarantees in respect of these arrangements, other than confirmation of the underlying trade payable. Participation by suppliers is voluntary.

These arrangements do not result in any change to the underlying commercial terms, including pricing or credit period, agreed between the Company and its suppliers.

18A.2 Key terms

The credit period under such arrangements is the same as the original credit period agreed with the vendor.

The Company incur interest cost, other fees under these arrangements.

18A.3 Accounting policy and classification

Trade payables covered under supplier finance arrangements continue to be recognised as **trade payables** and classified as **current financial liabilities**.

These balances are not classified as borrowings, as the obligation arises from the normal course of business, there is no substantive modification of the liability, and the payment terms are not significantly extended. Trade payables are measured at amortised cost.

18A.4 Carrying amounts

₹ crore

Particulars	FY26	FY25
Trade payables under supplier finance arrangements	35.67	-
Other trade payables	244.71	332.43
Total trade payables	280.38	332.43

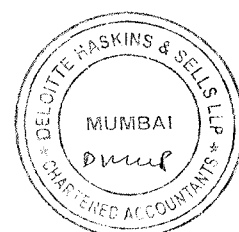
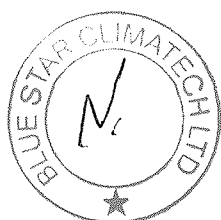
18A.6 Maturity profile

Disclosure text

₹ crore

Maturity bucket	FY26	FY25
Up to 3 months	22.06	-
3 to 6 months	13.61	-
6 to 12 months	-	-
Total	35.67	-

The maturity analysis is based on contractual payment dates.



19. Lease Liabilities

Particulars	Non Current		Current	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
	₹ Crores	₹ Crores	₹ Crores	₹ Crores
Lease Liability	5.46	5.79	0.78	1.12
Closing balance	5.46	5.79	0.78	1.12

Particulars	As at March 31, 2026	As at March 31, 2025
	₹ Crores	₹ Crores
Opening balance	6.91	-
Addition during the year	-	7.12
Add: Interest for the year	0.63	0.39
Less : Paid during the year	(1.30)	(0.60)
Closing balance	6.24	6.91
Non-current lease liability	5.46	5.79
Current lease liability	0.78	1.12
Total lease liability	6.24	6.91

The aggregate maturities of long term leases, based on contractual undiscounted cash flows are as follows :

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
	₹ Crores	₹ Crores
Lease liabilities		
Before 3 months	0.33	0.33
3 -6 months	0.33	0.33
6-12 months	0.68	0.65
1-3 years	2.88	2.75
3-5 years	3.87	3.03
Above 5 years	-	2.31
Total undiscounted lease liabilities	8.10	9.40

Amounts recognised in the statement of profit and loss and cash flow statement

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
	₹ Crores	₹ Crores
Amounts recognised in the statement of profit and loss		
Depreciation expenses	1.18	0.74
Interest on lease liabilities	0.63	0.39
Expense relating to short term lease	0.54	-
Amounts recognised in statement of cash flow		
Total cash outflow for leases	(1.30)	(0.60)

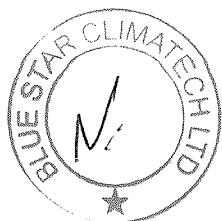
The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Variable lease payments

Some property leases contain variable payment terms that are linked to space used for warehouse whenever required by the Company. Variable lease payments that depends on variable space requirement are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

Extension and termination options

Extension and termination options are included in some of the leases across the Company. These are used to maximise operational flexibility in terms of managing the assets in the Company's operation. The majority of extension and termination options held are exercisable by both the Company and by the respective lessor. Further the Company expects not to use that options.



20 OTHER FINANCIAL LIABILITIES

Particulars	Current	
	As at March 31, 2026	As at March 31, 2025
	₹ Crores	₹ Crores
Financial liabilities at fair value through profit or Derivatives not designated as hedges		
Foreign exchange forward contracts (refer note (a))	-	0.60
Financial liabilities at amortized cost		
Payable for capital goods	5.59	16.70
Total other financial liabilities	5.59	17.30

a) Foreign exchange forward contracts

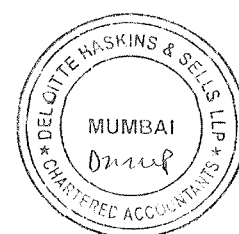
The Company enters into foreign exchange forward contracts with the intention of reducing the foreign exchange risk of buyers credit and trade payables. These contracts are not designated in hedge relationships and are measured at fair value through profit or loss.

21 OTHER CURRENT LIABILITIES

Particulars	Non Current		Current	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
	₹ Crores	₹ Crores	₹ Crores	₹ Crores
Advances from customers	-	-	0.32	0.32
Dues to statutory bodies	41.19	38.88	1.08	11.34
Others	-	-	0.23	0.13
Total other current liabilities	41.19	38.88	1.62	11.79

22 PROVISIONS

Particulars	Non Current		Current	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
	₹ Crores	₹ Crores	₹ Crores	₹ Crores
Provision for employee benefits				
Provision for gratuity	0.60	0.29	-	-
Compensated absences	0.39	0.11	0.09	0.44
Superannuation fund	-	-	0.01	0.01
Total	0.99	0.40	0.10	0.45



23 Income Tax

The major components of income tax expense and income are:

Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate for March 31, 2026 and March 31, 2025.

(a) Current tax asset / Income tax liabilities (net of provisions)

Particulars	As at March 31, 2026 ₹ Crores	As at March 31, 2025 ₹ Crores
Opening Balance	(0.90)	(0.95)
Less: Current tax payable for the year	(11.38)	(7.28)
Add: Taxes paid	10.02	7.33
Closing Balance	(2.26)	(0.90)

The closing balance of current tax asset is net of provision for tax

(b) Deferred Tax Assets/Liabilities

The breakup of Deferred tax asset is as follows:

Particulars	As at March 31, 2026 ₹ Crores	As at March 31, 2025 ₹ Crores
Deferred Tax Asset - [A]		
Provisions made disallowed and allowed only on payment basis	0.24	0.21
Lease liability	1.07	1.19
Security Deposit on ROU	0.02	0.02
Others	0.03	0.01
Deferred Tax Liability - [B]		
Accelerated depreciation for tax purposes	(12.19)	(9.27)
ROU Assets	(0.97)	(1.15)
Net Deferred Tax Asset/ (Liability) - [A-B]	(11.80)	(8.99)

Movement in Deferred Tax Assets

Particulars	Charge/ (Credit) to Statement of P&L		Charge/ (Credit) to OCI	
	For the year ended March 31, 2026 ₹ Crores	For the year ended March 31, 2025 ₹ Crores	For the year ended March 31, 2026 ₹ Crores	For the year ended March 31, 2025 ₹ Crores
Deferred Tax Asset -				
Provisions made disallowed and allowed only on payment basis	(0.03)	1.69	-	-
Lease liability	0.12	(1.19)	-	-
Security Deposit on ROU	(0.01)	(0.02)	-	-
Others	(0.01)	(0.01)	-	-
Deferred Tax Liability -				
Accelerated depreciation for tax purposes	2.92	4.21	-	-
ROU Assets	(0.18)	1.15	-	-
Others	-	-	-	-
Total	2.81	5.83	-	-

(c) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2026 and March 31, 2025:

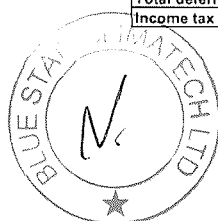
Particulars	For the year ended March 31, 2026 ₹ Crores	For the year ended March 31, 2025 ₹ Crores
Accounting profit before income tax	81.20	74.65
Income tax at India's statutory income tax rate of 17.16% (March 31, 2025: 17.16%)	13.93	12.81
Expenses not allowed for tax purpose	0.21	0.18
Additional allowances for tax purpose	-	(0.06)
Others	0.04	0.20
Income tax at effective tax rate	14.18	13.13

(d) Income tax expense reported in the statement of profit and loss

Particulars	For the year ended March 31, 2026 ₹ Crores	For the year ended March 31, 2025 ₹ Crores
i) Current tax		
Current tax on profit for the year	11.37	7.30
Adjustments for current tax of prior periods	-	-
Total current tax expense	11.37	7.30
ii) Deferred tax		
(Decrease)/Increase in deferred tax liabilities	2.74	5.36
Decrease/(Increase) in deferred tax assets	0.07	0.47
Total deferred tax expense/(benefit)	2.81	5.83
Income tax expense	14.18	13.13

(e) Income tax expense reported in the other comprehensive income

Particulars	For the year ended March 31, 2026 ₹ Crores	For the year ended March 31, 2025 ₹ Crores
i) Current tax		
Remeasurement gain/(loss) on defined benefit plans	0.01	(0.01)
Total current tax expense	0.01	(0.01)
ii) Deferred tax		
Fair value of equity investment	-	-
Effective portion of gain/(loss) on cash flow hedges	-	-
Total deferred tax expense/(benefit)	-	-
Income tax expense	0.01	(0.01)



24. REVENUE FROM OPERATIONS

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
	₹ Crores	₹ Crores
Sale of products	1,478.00	1,457.46
Other operating revenue		
- Government Grant Income (PLI Incentive)	15.00	12.00
- Scrap sales	16.31	14.78
Total revenue from operations	1,509.31	1,484.24

Note

On November 12, 2021, the Company obtained an approval for seeking incentives/ benefits of the 'Production Linked Incentive (PLI) scheme for White goods (Air Conditioners and LEDs)', notified by the government on April 16, 2021 read with PLI Scheme guidelines issued thereunder and as amended from time to time, hereinafter referred as "PLI scheme". The Company has calculated the incremental sales of eligible products of the current financial year as defined in the guidelines issued by the department and has furnished the self-certified quarterly review reports (QRRs) required under the PLI scheme.

Based on such filings and other correspondence with concerned authorities, the Company is confident of availing the PLI incentive for the current financial year. Accordingly, the Company has accrued for the PLI as grant in the nature of income in accordance with Ind AS 20 - "Government Grants" and recognised an amount of ₹ 15.00 crores under other operating revenue (refer note 24) with corresponding receivable from government authorities (refer note 8(a)). Further, the Company will be submitting the claim for disbursement before the due date.

Subsequent to year end the company has received an amount of ₹ 12.00 crores which was accrued during the year ended March 31, 2025.

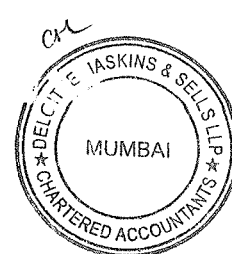
25. OTHER INCOME

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
	₹ Crores	₹ Crores
Interest income		
Financial instruments measured at amortised cost:		
- Others	0.08	0.07
Other non-operating income		
Fair value gain on financial instruments designated as FVTPL	0.45	1.98
Provision and liabilities no longer required	2.80	-
Others	0.11	0.13
Total other income	3.44	2.18

26. COST OF RAW MATERIALS CONSUMED (INCLUDING DIRECT PROJECT AND SERVICE COST)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
	₹ Crores	₹ Crores
Cost of material consumed	1,292.41	1,300.69
Total cost of raw material and components consumed and project related	1,292.41	1,300.69

Inventories at the end of the year		
Work-in-progress	41.85	44.66
Finished goods	0.20	0.96
	42.05	45.62
Inventories at the beginning of the year		
Work-in-progress	44.66	27.01
Finished goods	0.96	1.81
	45.62	28.82
(Increase) /decrease in inventories	3.58	(16.80)



27. EMPLOYEE BENEFITS EXPENSE

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
	₹ Crores	₹ Crores
Salaries, wages and bonus	42.36	43.51
Contribution to provident and other funds	0.82	0.77
Gratuity expense (refer note 2 below & note 35)	0.26	0.22
Staff welfare expenses	10.78	10.33
Director Sitting Fees	0.04	0.02
Expenses on employees stock option scheme of holding company*	0.05	0.14
Total employee benefits expense	54.30	54.98

* Note

1. During the year ended March 31, 2026, the Parent Company implemented "BLUE STAR EMPLOYEES STOCK OPTION SCHEME". The Plan enables grant of stock options to the eligible employees of the ultimate Parent Company and its subsidiaries.

The options granted under the plan have a maximum vesting period of 4 years. The exercise price for stock options granted are at ₹ 2 per share.

During the year, the Company has recognized an expense on ₹ 0.05 crores (March 31, 2025 - ₹ 0.14 Cr)

2. The Government of India notified the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020, and the Occupational Safety, Health and Working Conditions Code (collectively, "The Labour Codes"). These labour codes, which have become effective from November 21, 2025, consolidate and rationalise 29 labour laws and introduce, among other matters, a uniform definition of "Wages". Also the Labour codes have modified certain employee benefits the eligibility conditions in respect of those benefits. Accordingly, during the year, the company has amended its policies relating to employee benefits and modified its employment contracts to align such benefits with the requirements of the Labour Codes. The changes include

- (i) alignment of the definition of Wages for social security contributions / provisions
- (ii) revisions to compensated absences entitlement and encashment rules, and
- (iii) modifications to gratuity related terms and take effect on and from November-21-2025.

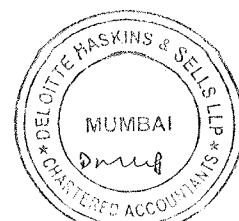
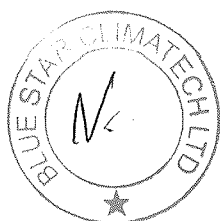
Past service cost resulting from plan amendments amounting to Rs. 0.39 crore has been recognised immediately in the Statement of Profit & Loss and has been recognised as part of "Exceptional Items" (Refer Note 31). Rs. 0.26 crore being the higher current service cost and the net interest on the net defined benefit liabilities (or assets), post the plan amendment, has been charged to the Statement of Profit and Loss and has been classified as part of Employee Benefit Expenses.

28. FINANCE COSTS

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
	₹ Crores	₹ Crores
-Interest and finance charges on financial liabilities carried at amortised cost		
(a) Interest on bank borrowings	0.97	0.08
(b) Interest on Inter corporate deposit	8.12	6.64
(c) Interest on lease liabilities	0.63	0.39
(d) Interest on MSME	0.29	0.15
(e) Other interest expenses	0.13	0.02
-Bank charges	0.72	0.91
Total finance costs	10.85	8.19

29. DEPRECIATION AND AMORTISATION EXPENSE

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
	₹ Crores	₹ Crores
Depreciation on Property, plant and equipment (refer note 4)	35.52	29.76
Depreciation on right of use assets (refer note 6)	1.18	0.74
Amortisation expenses on intangible assets (refer note 7)	0.23	0.19
Total depreciation and amortisation expense	36.93	30.69



30. OTHER EXPENSE

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
	₹ Crores	₹ Crores
Stores and spares consumed	5.18	5.35
Power and fuel	6.04	7.13
Rent	0.54	0.84
Repairs and maintenance		
- Buildings	1.26	1.37
- Plant and machinery	3.08	4.27
- Others	0.24	0.23
Insurance	0.92	0.76
Rates and taxes	0.24	0.31
Legal and professional fees	1.36	1.27
Travelling and conveyance	1.19	1.15
Recovery of Share Service from Subsidiary	3.34	3.33
Telephone & Communication	0.08	0.07
Printing and stationery	0.26	0.33
Payment to auditors (refer details A below)	0.31	0.27
Corporate social responsibility expenses (refer details B below)	0.65	0.13
Donations	-	0.58
Loss on sale / discard of property, plant and equipment	0.79	0.31
Foreign exchange differences (net) (including fair value impact on financial instruments at fair value through profit or loss)	5.56	4.02
Allowances for doubtful debts and advances	0.05	-
Miscellaneous expenses	0.58	0.63
Expense Written off	-	0.28
Share Issue Expenses	-	*
Security Charges	1.42	1.39
Total other expenses	33.09	34.02

A. Payment to auditors

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
	₹ Crores	₹ Crores
As auditor:		
Audit fee	0.19	0.15
Limited review	0.04	0.04
Tax Audit	0.02	0.02
In other capacity		
Other services	0.06	0.06
Reimbursement of expenses	-	-
	0.31	0.27

B. Corporate social responsibility expenses

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
	₹ Crores	₹ Crores
(i) Gross amount required to be spent by the Company during the year	0.65	0.13
(ii) Amount spent during the year	0.65	0.13
(iii) Shortfall in amount spent for CSR expenses	-	-
(iv) Nature of CSR activities	Skill Development', 'Environment and Sustainability' and 'Education'	'Skill Development' and 'Health, Hygiene and Wellness'
(v) details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard (refer note 34)	NA	NA
(vi) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year	NA	NA

C. Political contribution

The Company has not made any political contribution during FY 2025-26 (FY 2024-25 : ₹ 0.08 Crores)



31 EXCEPTIONAL ITEMS

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
	₹ Crores	₹ Crores
Past service cost on gratuity *	0.39	-
Exceptional Items (Net)	0.39	-

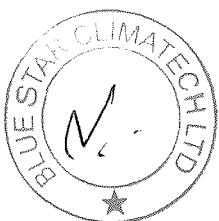
Note

* The Government of India notified the provisions of the four new Labour Codes ("Labour Codes") on November 21, 2025, thereby consolidating twenty-nine existing labour laws into a comprehensive and unified framework. Among other changes, the Labour Codes provide a unified definition of "wages" to be applied across various employee benefit computations. Based on a reassessment by management of the revised compensation structure and the consequent changes in actuarial assumptions, the said liability has now been determined at ₹ 0.39 crores. The Company continues to monitor the finalisation of the Central and State rules and clarifications issued by the Government under the new Labour Codes and will recognise the impact of any further changes in estimates in the relevant period, as and when required.

32 EARNING PER SHARES (EPS)

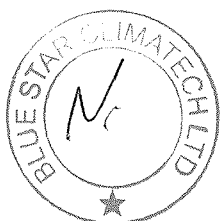
The following reflects the income and share data used in the basic and diluted EPS computations :

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
	₹ Crores	₹ Crores
Profit attributable to equity holders of the Company (₹ in Crores)	67.02	61.52
Weighted average number of Equity shares outstanding	544,440,000	534,918,904
Earning Per Share (₹) - Basic and Diluted in rupees (Face Value - ₹ 2 per share)	1.23	1.15



33 Additional regulatory information required by Schedule III

- i. The company neither holds any benami property nor any proceedings have been initiated or pending against the company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.
- ii. The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017.
- iii. The company has not traded or invested in crypto currency or virtual currency during the financial year.
- iv. The company have not advanced or loaned or invested funds to any other person or entity, including foreign entities (intermediaries) with the understanding that the intermediary shall :
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.
- v. The company have not received any fund from any persons or entities, including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the company shall :
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.
- vi. The company has not been declared as wilful defaulter by any bank, financial institutions or other lender.
- vii. The company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- viii. The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.
- ix. There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.



Notes to Standalone Financial Statements for the year ended March 31, 2026

34 RELATED PARTY DISCLOSURE

a) Name of the Related parties where control exists irrespective of whether the transactions have occurred or not.

1 Related parties where controls exist - Parent Company

Blue Star Limited

2 Fellow Subsidiary

Blue Star Engineering and Electronics Limited
Blue Star International FZCO
Blue Star Qatar WLL
Blue Star MEA Airconditioning LLC
Blue Star AC&R (Singapore) PTE. Limited
Blue Star North America Inc.
Blue Star Innovation Japan LLC
Blue Star Europe BV
Blue Star Air Conditioning & Refrigeration (U) Limited

3 Joint Ventures

Blue Star M&E Engineering (Sdn) Bhd.
Blue Star Oman Electro-Mechanical Co. LLC

4 Post-Employee Benefit Entities

Blue Star Employees Gratuity Fund
Blue Star Staff Superannuation Scheme
Blue Star Helpline Trust
Blue Star Foundation

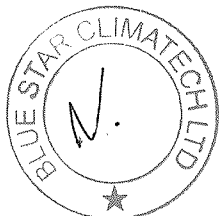
5 Key Management Personnel

Mr. Devidas Vishwambar Kasbekar, Chief Executive Officer (Upto July 31, 2025)
Mr. Manish Kumar Jha, Chief Executive Officer (Since January 19, 2026)
Mr. Sivakumar Ramani, Chief Financial Officer
Ms. Neha Roy, Company Secretary
Mr. Vir S. Advani, Director
Mr. B Thiagarajan, Director
Mr. Nikhil Sohoni, Director
Mr. Mohit Sud, Director (Since May 08, 2025)
Mr. P V Rao, Director (Upto January 19, 2026)
Mr. Vipin Sondhi, Independent director (Upto January 31, 2026)
Ms. Shanmuga Priya, Non-executive director (Since April 23, 2024)
Mr. G Murlidhar, Non-executive director (Since February 01, 2026)

Transactions during the year with Related Parties are as under:

(₹ Crores)

Name of Related party	Holding Company		Fellow Subsidiary		Other Related Parties		Total	
	FY 2025-26	FY 2024-25	FY 2025-26	FY 2024-25	FY 2025-26	FY 2024-25	FY 2025-26	FY 2024-25
b) Transactions with related party								
Blue Star Limited								
Equity								
Issue of equity shares	-	29.44					-	29.44
Assets								
Purchase of Property, Plant and Equipment	0.04	0.58					0.04	0.58
Sale of Property, Plant and Equipment	0.34	0.62					0.34	0.62
Purchase towards Capital work-in-progress	0.89	5.15					0.89	5.15
Transfer of loans given to employees	-	0.01					-	0.01
Liabilities								
Transfer of employee liabilities	-	-					-	-
Income								
Sale of Manufactured Goods	1,444.64	1,425.01					1,444.64	1,425.01
Recovery of Expenses - Research and Development	1.21	1.38					1.21	1.38
Re-imbursement of expenses	-	-					-	-
Expenses								
Recovery of expenses - Shared Service	3.34	3.33					3.34	3.33
Re-imbursement of expenses	0.37	0.55					0.37	0.55
Interest on inter corporate deposit	3.40	2.80					3.40	2.80
Purchase of Material	0.04	-					0.04	-
Purchase of AMC Services	-	0.03					-	0.03
Re-imbursement of ESOP expenses given to employees by BSL	0.05	0.14					0.05	0.14
Blue Star Engineering and Electronics Limited								
Expenses								
Interest on inter corporate deposit	-	-	4.71	3.84			4.71	3.84
Blue Star Gratuity Trust								
Trust Contribution					0.29	0.92	0.29	0.92
c) Outstanding balances	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Blue Star Limited								
Balance due - Receivable/(payable)								
Trade Payables	(1.49)	(2.97)	-	-	-	-	(1.49)	(2.97)
Capital creditors/advances (net)	(0.00)	(0.92)	-	-	-	-	(0.00)	(0.92)
Trade Receivables	199.21	210.41	-	-	-	-	199.21	210.41
Blue Star Engineering and Electronics Limited								
Balance due - Receivable/(payable)								
Trade Payables	-	-	-	-	-	-	-	-
Blue Star Gratuity Trust								
Trust Contribution	-	-	-	-	-	-	-	-



d)	Loans from Related Party	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
	Blue Star Limited								
	Opening	60.00	25.00	-	-	-	-	60.00	25.00
	Loans Received	145.00	85.00	-	-	-	-	145.00	85.00
	Loans Repaid	(205.00)	(50.00)	-	-	-	-	(205.00)	(50.00)
	Closing	-	60.00	-	-	-	-	-	60.00
	Blue Star Engineering & Electronics Limited								
	Opening	-	-	80.00	35.00	-	-	80.00	35.00
	Loans Received	-	-	295.00	128.00	-	-	295.00	128.00
	Loans Repaid	-	-	(290.00)	(83.00)	-	-	(290.00)	(83.00)
	Closing	-	-	85.00	80.00	-	-	85.00	80.00
	Loans to Related Party								
	Devidas Vishambar Kasbekar								
	Opening	-	-	-	-	0.02	0.02	0.02	0.02
	Loans Received	-	-	-	-	-	-	-	-
	Loans Repaid	-	-	-	-	(0.02)	(0.00)	(0.02)	(0.00)
	Closing	-	-	-	-	-	0.02	-	0.02
	Neha Roy								
	Opening	-	-	-	-	-	-	-	-
	Loans Received	-	-	-	-	0.04	-	-	-
	Loans Repaid	-	-	-	-	(0.00)	-	-	-
	Closing	-	-	-	-	0.04	-	-	-

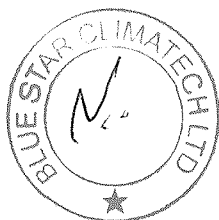
e) Compensation to key management personnel:

Nature of Transaction	FY 2025-26	FY 2024-25
Short-term employee benefits	3.31	2.94
Sitting Fees	0.04	0.02
Shared-based payment	0.05	0.14
Total compensation to key management personnel	3.40	3.10

35 Capital Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided :-

As at March 31, 2026 company had commitments (net of advances) of ₹ 31.35 Crores (March 31, 2025 - ₹ 41.23 Crores)



36 EMPLOYEE BENEFITS DISCLOSURE

Defined Benefit Plans

a. Gratuity

The Company provides for gratuity, a defined benefit retirement plan ('the Gratuity Plan') covering eligible employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each Balance Sheet date using the projected unit credit method. The Company contributes all ascertained liabilities to the Gratuity Fund Trust (the Trust).

The Company recognizes the net obligation of a defined benefit plan in its Balance Sheet as an asset or liability. Gains and losses through remeasurements of the net defined benefit liability/(asset) are recognized in other comprehensive income and are not reclassified to profit or loss in subsequent periods. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligation is recognized in other comprehensive income. The effect of any plan amendments are recognised as net profit in the profit or loss. The Company expects to contribute

₹ 0.82 crore to gratuity fund in FY 2026-27 (FY 2025-26: ₹ 0.47 crore).

Change in present value of defined benefit obligation

Particulars	Gratuity Funded	
	As at March 31, 2026	As at March 31, 2025
	₹ Crores	₹ Crores
Defined benefit obligation at the beginning of the year	1.21	0.92
Current service cost	0.19	0.15
Past service cost	0.39	-
Interest cost	0.07	0.07
Benefits paid	(0.61)	-
Remeasurements		
a. Due to change in demographic assumptions	-	-
b. Due to change in financial assumptions	(0.03)	0.03
c. Due to experience adjustments	(0.02)	0.05
Defined benefit obligation at the end of the year	1.21	1.21

Particulars	Gratuity	
	As at March 31, 2026	As at March 31, 2025
	₹ Crores	₹ Crores
Change in fair value of plan assets		
Fair value of plan assets at the beginning of the year	0.92	-
Expected return on plan assets	0.01	-
Contribution	0.29	0.92
Benefits paid	(0.61)	-
Fair value of plan assets at the end	0.61	0.92

Particulars	Gratuity	
	For the year ended March 31, 2026	For the year ended March 31, 2025
	₹ Crores	₹ Crores
Components of defined benefit cost recognised in Profit or Loss		
Current service cost	0.19	0.15
Past service cost	0.39	-
Interest Cost (Net)	0.07	0.07
Defined benefit cost recognized in profit or loss	0.65	0.22

Components of defined benefit cost recognised in Other Comprehensive Income		
a. Due to change in demographic assumptions	-	-
b. Due to change in financial assumptions	(0.03)	0.03
c. Due to change in experience adjustments	(0.02)	0.05
Remeasurements recognized in other comprehensive income (OCI)	(0.05)	0.08

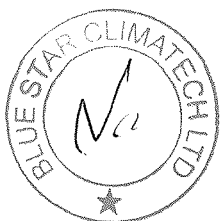
Net liability / (assets) recognised in the balance sheet		
Particulars	Gratuity	
	As at March 31, 2026	As at March 31, 2025
	₹ Crores	₹ Crores
Present value of defined benefit obligation	1.21	1.21
Fair value of plan assets	0.61	0.92
Net liability / (assets)	0.60	0.29

The major categories of plan assets are as follows:

Particulars	As at March 31, 2026	As at March 31, 2025
	₹ Crores	₹ Crores
Cash and cash equivalents	-	-
Insurance company products	0.61	-
Others	-	0.92
Total	0.61	0.92

The principal assumptions used in determining Gratuity and Additional Gratuity for the Company's plan are as shown below:

Actuarial Assumptions	Gratuity	
	For the year ended March 31, 2026	For the year ended March 31, 2025
Discount rate	6.95%	6.50%
Disability rate	5% of mortality rate	5% of mortality rate
Normal retirement age	60 Years	60 Years
Mortality rate	100% of IALM 2012-14	100% of IALM 2012-14
Salary escalation rate (Directors-Management-staff)	Management Staff: 7%	Management Staff: 7%
Attrition Rate	Others: 3%	Others: 3%
	14%	14%



Risk analysis

Interest Rate risk: The plan exposes the Company to the risk of all interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).

Liquidity Risk: This is the risk that the Company is not able to meet the short-term gratuity payouts. This may arise due to non availability of enough cash / cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

Salary Escalation Risk: The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

Demographic Risk The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

Regulatory Risk: Gratuity benefits paid in accordance with the requirements of Chapter V (Gratuity of the Code on Social Security, 2020 (as amended from time to time)). There is a risk of change in regulations requiring higher gratuity payouts (e.g. Increase in the maximum limit on gratuity of Rs. 20,00,000).

Asset Liability Mismatching or Market Risk: The duration of the liability is longer compared to duration of assets, exposing the Company to market risk for volatilities/fall in interest rate

Investment Risk The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

The present value of defined benefit obligation after change in assumptions are as under :

₹ Crores

Assumptions	Gratuity	
	For the year ended March 31, 2026	For the year ended March 31, 2025
Decrease in discount Rate (-/+ 0.5%)	1.24	1.24
Increase in discount Rate (-/+ 0.5%)	1.18	1.19
Decrease in salary Growth Rate (-/+ 0.5%)	1.18	1.19
Increase in salary Growth Rate (-/+ 0.5%)	1.24	1.24
Decrease in attrition Rate (- / + 1% of attrition rates)	1.21	1.25
Increase in attrition Rate (- / + 1% of attrition rates)	1.21	1.18
Decrease in Mortality Rate (- / + 10% of mortality rates)	1.21	1.21
Increase in Mortality Rate (- / + 10% of mortality rates)	1.21	1.21

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting year 2025-26.

The weighted average duration of the defined benefit plan obligation at the end of the reporting year 2025-26 is 5 years.

Maturity profile of defined benefit obligation

Expected cash flows	Gratuity (Funded)
1 year	0.29
2 to 5 years	0.57
6 to 10 years	0.53
More than 10 years	0.45
Total	1.85

b. Provident Fund

The company's contribution to provident fund and other funds aggregating during the year ended March 31, 2026 is ₹ 0.82 Crores (March 31, 2025 - ₹ 0.77 Crores) recognized in the statement of profit and loss under the head employee benefit expenses (Refer Note 27).

General Description of significant defined plans:

a. Gratuity Plan

Gratuity is payable to all eligible employees on separation/retirement based on Company's internal policies and applicable law.

b. Additional Gratuity

Additional Gratuity is payable as per the specific rules of the Company i.e. ₹ 5,000 for staff and ₹ 10,000 for managers subject to qualifying service of 15 years.

b. Compensated Absences

Under the compensated absences plan, leave encashment is payable to all eligible employees on separation from the company due to death, retirement, super annuation or resignation at the rate of daily salary, as per the current accumulation of leave days.

Amount recognized in Balance Sheet

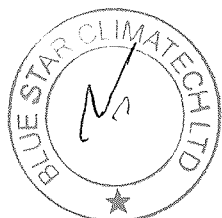
₹ Crores

Particulars	Compensated Absences as at	
	March 31, 2026	March 31, 2025
Amount recognized in Balance Sheet	0.48	0.55

Amount recognized in Profit and loss

₹ Crores

Particulars	Compensated Absences for the year ended	
	March 31, 2026	March 31, 2025
Amount recognized in Profit and Loss	0.27	0.31



37 CAPITAL MANAGEMENT

The Company's objective for capital management is to maximize shareholder wealth, safeguard business continuity and support the growth of the Company. The Company determines the capital management requirement based on annual operating plans and long term and other strategic investment plans. The funding requirements are met through an optimum mix of borrowed and owned funds.

The Company's adjusted net debt and equity position is as follows.

Gearing Ratio:			₹ Crores
Particulars	As at March 31, 2026	As at March 31, 2025	
Borrowings	85.00	140.00	
Less: Cash and cash equivalents	(3.43)	(5.99)	
Net Debt	81.57	134.01	
Equity	686.59	619.53	
Gearing Ratio (Net Debt / Equity) x 100	11.88%	21.63%	

38 FINANCIAL RATIOS

Particulars	As at March 31, 2026	As at March 31, 2025	Variance	Reason
Current ratio	1.44	1.18	22.68%	Below threshold of 25%
Debt-Equity ratio	0.12	0.23	(45.22%)	Improvement in debt equity ratio is due to re-payment of inter corporate deposits during the year.
Debt Service Coverage Ratio (DSCR)	8.48	10.11	(16.12%)	Below threshold of 25%
Return on Equity Ratio (ROE)	10.26%	10.72%	(4.25%)	Below threshold of 25%
Inventory turnover (No. of days)	87.55	65.53	33.60%	Increase in inventory turnover days due to higher inventory holding to de-risk geopolitical uncertainties.
Trade receivables turnover (No. of days)	51.12	43.71	16.95%	Below threshold of 25%
Trade payables turnover (No. of days)	84.15	69.46	21.15%	Below threshold of 25%
Net capital turnover ratio (In times)	8.84	16.26	(45.62%)	Decrease in net capital turnover ratio is due to higher working capital arising from repayment of borrowings and trade payables.
Net profit ratio	4.43%	4.14%	7.04%	Below threshold of 25%
Return on Capital employed (ROCE)	16.72%	14.95%	11.83%	Below threshold of 25%

Current Ratio = Current Assets / Current Liabilities

Debt / Equity Ratio = Total Debt / Shareholder's Equity

DSCR = [Earnings before interest and Tax] / [Interest expenses + Principal repayments made during the year for long term loans]

Return on Equity Ratio = Net profit after tax / Average Shareholder's equity X 100

Inventory turnover (no. of days) = Average Inventory / Cost of Goods Sold for the year X 365

Trade Receivable turnover (no. of days) = Average Debtors / Turnover for the year X 365

Trade payables turnover (no. of days) = Average payables / (Cost of material consumed + purchase of stock-in-trade + change in inventory + Other expenses) X 365

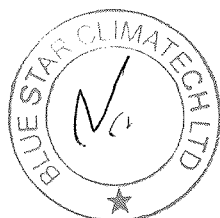
Net capital turnover ratio (In times) = Net sales / Working capital

Net profit ratio (%) = Profit for the year / Total income X 100

Return on capital employed (%) = EBITDA i.e. (Profit before tax + Finance charges+Depreciation) / Capital employed

Capital Employed = (Total Equity + Non current borrowings + Current Borrowings) * 100

Return on investment (%) = Income from investment / Average investment for the year X 100



39 DERIVATIVE INSTRUMENTS AND ATTACHED FOREIGN CURRENCY EXPOSURE

The Company has a forex risk management policy that ensures proactive and regular monitoring and managing of foreign exchange exposures. Financial risks relating to changes in exchange rates are hedged by forward and options contracts. The hedging strategy is used towards managing currency fluctuation risk and the Company does not use foreign exchange forward and options contract for trading or speculative purposes. Forward and options contract are fair valued at each reporting date. The resultant gain or loss of forward and option contract is recognized in the Profit or Loss. Commodity risk is mitigated by entering into annual rate contracts with major suppliers which are factored in pricing decisions. This approach provides sufficient mitigation against volatility in commodity rates.

a. Derivative Instruments: Forward contract outstanding as at balance sheet date

Foreign Currency	As at March 31, 2026		As at March 31, 2025	
	Amount in Foreign Currency (in crores)	₹ in crores	Amount in Foreign Currency (in crores)	₹ in crores
Particulars of Forward Contract				
Forward cover to Purchase :				
Forward cover against underlying payables (including commitments)				
- CNY/RMB	1.05	14.42	3.59	42.23
- JPY	-	-	-	-
- USD	0.16	15.10	0.96	82.40

b. Particulars of Un-hedged foreign Currency Exposure as at the Balance Sheet date

Foreign Currency	As at March 31, 2026		As at March 31, 2025	
	Amount in Foreign Currency (in crores)	₹ in crores	Amount in Foreign Currency (in crores)	₹ in crores
Payables				
CNY/RMB	0.03	0.47	-	-
EUR	-	-	0.00	0.20
JPY	0.10	0.06	1.32	0.75
USD	0.11	10.76	-	-

The above table does not include foreign currency exposure covered by derivative contracts as stated in (a) and (b) above although not specifically in hedge relationships.

40 FINANCIAL INSTRUMENTS

(A) FINANCIAL INSTRUMENTS BY CATEGORY

Particulars	As at March 31, 2026					As at March 31, 2025				
	FVTPL	FVTOCI	Amortised Cost	Total Carrying value	Total Fair value	FVTPL	FVTOCI	Amortised Cost	Total Carrying value	Total Fair value
Financial assets										
Investments (refer note 8)	9.05	-	-	9.05	9.05	4.76	-	-	4.76	4.76
Other financial assets (refer note 10)	-	-	-	-	-	-	-	-	-	-
Loans (refer note 9)	-	-	0.34	0.34	0.34	-	-	0.31	0.31	0.31
Other financial assets (refer note 10)	-	-	28.42	28.42	28.42	-	-	19.06	19.06	19.06
Trade receivables (refer note 12)	-	-	206.61	206.61	206.61	-	-	216.16	216.16	216.16
Cash & bank balances (refer note 13)	-	-	3.43	3.43	3.43	-	-	5.99	5.99	5.99
	9.05	-	238.80	247.85	247.85	4.76	-	241.52	246.28	246.28
Financial liabilities										
Borrowings (refer note 17)	-	-	85.00	85.00	85.00	-	-	140	140	140
Trade payables (refer note 18)	-	-	280.38	280.38	280.38	-	-	332.43	332.43	332.43
Lease Liabilities (refer note 19)	-	-	6.24	6.24	6.24	-	-	6.91	6.91	6.91
Other Financial Liabilities (refer note 20)	-	-	5.59	5.59	5.59	-	-	17.3	17.3	17.3
	-	-	377.21	377.21	377.21	-	-	496.64	496.64	496.64

Management has assessed that Cash and cash equivalents, Other balances with banks, Loans, Trade receivables, Other financial assets, Trade payables, Borrowings, Lease liabilities and Other financial liabilities carried at amortised cost approximate their carrying amounts largely due to the short-term maturities of these instruments.

(B) FAIR VALUE HIERARCHY

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities:

Quantitative disclosures fair value measurement hierarchy as at March 31, 2026:

₹ Crores

Particulars	Date of Valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured as fair value :					
Investment in mutual funds (refer note 8)	March 31, 2026	9.05	-	9.05	-
Derivatives not designated as hedges (refer note 10)					
- Foreign exchange forward contracts	March 31, 2026	0.06	-	0.06	-

There have been no transfers between Level 1, Level 2 and Level 3 during the year.

Quantitative disclosures fair value measurement hierarchy as at March 31, 2025 :

₹ Crores

Particulars	Date of Valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured as fair value :					
Investment in mutual funds (refer note 9)	March 31, 2025	4.76	-	4.76	-
Liabilities measured as fair value :					
Derivatives not designated as hedges (refer note 20)					
- Foreign exchange forward contracts	March 31, 2025	0.60	-	0.60	-

There have been no transfers between Level 1, Level 2 during the year.

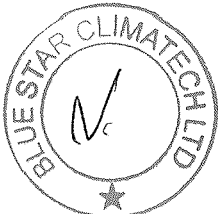
Fair value hierarchy of financial assets and liabilities measured at fair value :

Valuation technique used to determine fair value

1. Level - 2 :

Mutual Fund - Inputs are inputs, other than quoted prices included within Level 1, that are observable for the mutual fund, either directly or indirectly.

Derivative Instrument - Mark to market on forward covers is based on forward exchange rates at the end of reporting year.



41 FINANCIAL RISK MANAGEMENT OBJECTIVE & POLICIES

The Company's principal financial liabilities comprise short term borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade and other receivables, and cash and cash equivalents that are derived directly from its operations.

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company is exposed to market risk, currency risk, interest rate, credit risk and liquidity risk.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risks. Currency risk and interest rate risk. Financial instruments affected by market risk include borrowings, investments, trade payables, trade receivables, loans, and derivative financial instruments.

Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency). Foreign currency risks are managed within the approved policy parameters utilizing foreign exchange forward contracts.

The following table demonstrates the foreign currency exposures recognised by the Company that have not been hedged by a derivative instrument or otherwise are as under:

Particulars	As at March 31, 2026				As at March 31, 2025			
	Trade payable/ Capital Creditors in foreign currency (In Crores)	Hedging in foreign currency (In Crores)	Net exposure in foreign currency (In Crores)	Net exposure (₹ Crores)	Trade payable/ Capital Creditors in foreign currency (In Crores)	Hedging in foreign currency (In Crores)	Net exposure in foreign currency (In Crores)	Net exposure (₹ Crores)
Foreign Currency								
CNY/RMB	1.09	1.05	0.03	0.47	2.11	3.59	-	-
EUR	-	-	-	-	0.00	-	0.00	0.20
JPY	0.10	-	0.10	0.06	1.32	-	1.32	0.75
USD	0.27	0.16	0.11	10.73	0.89	0.96	-	-

The following table demonstrates the sensitivity in multiple foreign currencies to the functional currency of the Company, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities.

Particulars	Change in currency exchange rate	Effect on profit before tax		Effect on equity	
		As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
USD	+5%	0.54	0.00	0.44	0.00
	-5%	(0.54)	0.00	(0.44)	0.00
CNY/ RMB	+5%	0.02	0.00	0.02	0.00
	-5%	(0.02)	0.00	(0.02)	0.00
EUR	+5%	0.00	0.01	0.00	0.01
	-5%	0.00	(0.01)	0.00	(0.01)
JPY	+5%	0.00	0.04	0.00	0.03
	-5%	(0.00)	(0.04)	(0.00)	(0.03)

Commodity price risk

The Company is subject to fluctuations in prices for the purchase of copper, aluminium, and other raw material inputs. The Company purchased primarily all of its copper and aluminium requirements at prevailing market rates during the period ended March 31, 2026.

Commodity hedging is used primarily as a risk management tool to secure the future cash flows in case of volatility by entering into commodity forward contracts.

The following table demonstrates the commodity exposures recognised by the Company that have not been hedged by a derivative instrument or otherwise are as under:

Particulars	As at March 31, 2026					
	Total exposure		Hedging		Unhedged exposure	
	Quantity (MT)	Amount (₹ In crore)	Quantity (MT)	Amount (₹ In crore)	Quantity (MT)	Amount (₹ In crore)
Commodity						
Copper	409.69	55.91	-	-	409.69	55.91
Aluminium	496.09	20.63	-	-	496.09	20.63

Particulars	As at March 31, 2025					
	Total exposure		Hedging		Unhedged exposure	
	Quantity (MT)	Amount (₹ In crore)	Quantity (MT)	Amount (₹ In crore)	Quantity (MT)	Amount (₹ In crore)
Commodity						
Copper	954.74	85.48	-	-	954.74	85.48
Aluminium	1,096.5	37.68	-	-	1,096.52	37.68

The following table demonstrates the Company's sensitivity to a 5% movement in the price of copper and aluminium:

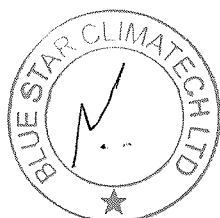
Particulars	Change in commodity rate	Effect on profit before tax		Effect on equity	
		For the year ended March 31, 2026	For the year ended March 31, 2025	For the year ended March 31, 2026	For the year ended March 31, 2025
		₹ Crores	₹ Crores	₹ Crores	₹ Crores
Commodity					
Copper	-5%	(2.80)	(4.27)	(2.32)	(3.54)
	+5%	2.80	4.27	2.32	3.54
Aluminium	-5%	(1.03)	(1.88)	(0.85)	(1.56)
	+5%	1.03	1.88	0.85	1.56

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest rate change does not affect significantly to the company. Company does not have any exposure to the future cash flows resulting from change in interest rate as the Company's net obligations and assets carries fixed interest rate.

Credit Risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities, primarily trade receivables and from its financing activities, including deposits with banks, foreign exchange transactions, and other financial instruments.



1. Trade receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures, and controls relating to customer credit risk management. Trade receivables are non-interest bearing and are generally on credit terms in line with respective industry norms. Outstanding customer receivables are regularly monitored. The Company has no concentration of credit risk as the customer base is widely distributed both economically and geographically.

The ageing analysis of trade receivables as of the reporting date is as follows:

Particulars	Neither past due nor impaired	Past due but not impaired		Total
		Less than 1 year	More than 1 year	
Trade Receivables as of March 31, 2026	206.19	0.42	-	206.61
Trade Receivables as of March 31, 2025	172.40	43.76	-	216.16

Liquidity Risk

Liquidity risk is the risk that the Company may encounter difficulty in meeting its obligations. The Company monitors the rolling forecast of its liquidity position based on expected cash flows. The Company's approach is to ensure that it has sufficient liquidity or borrowing headroom to meet its obligations at all points in time. The Company has sufficient short-term fund-based lines, which provide healthy liquidity and these carry the highest credit quality rating from a reputed credit rating agency.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

Particulars	As at March 31, 2026		
	Less than 1 year	More than 1 year	Total
Interest bearing borrowings	85.00	-	85.00
Trade Payables	280.38	-	280.38
Lease Liabilities	1.33	6.77	8.10
Other financial liabilities	5.59	-	5.59
Total	372.30	6.77	379.07

Particulars	As at March 31, 2025		
	Less than 1 year	More than 1 year	Total
Interest bearing borrowings	140.00	-	140.00
Trade Payables	332.43	-	332.43
Lease Liabilities	0.65	8.74	9.39
Other financial liabilities	17.30	-	17.30
Total	490.38	8.74	499.12

42 DISCLOSURE IN CONNECTION WITH REVENUE FROM CONTRACT WITH CUSTOMERS

1 Disaggregation of revenue:

The table below presents disaggregated revenues from contracts with customers for the year ended March 31, 2026 by offerings and contract-type. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of revenues and cash flows are affected by industry, market and other economic factors.

Revenue by type of contract	For the year ended March 31, 2026			For the year ended March 31, 2025		
	At a point in time	Over time	Total	At a point in time	Over time	Total
Unitary Products	1,478.00	-	1,478.00	1,484.24	-	1,484.24
Total	1,478.00	-	1,478.00	1,484.24	-	1,484.24

2 Reconciliation of contracted price with the revenue recognised in statement of profit or loss:

Particulars	For the year ended March 31, 2026		For the year ended March 31, 2025	
	For the year ended March 31, 2026	For the year ended March 31, 2025	For the year ended March 31, 2026	For the year ended March 31, 2025
Sale of products at transaction price & construction and service contracts at contracted price	1,478.00	1,484.24	1,478.00	1,484.24
Reductions towards variable consideration components*	-	-	-	-
Revenue recognized in profit & loss	1,478.00	1,484.24	1,478.00	1,484.24

* Reduction towards variable consideration components include discounts, service level credits, etc.

43 LEASES

Disclosure as per the requirement of Ind AS 116

Amounts recognised in balance sheet

The balance sheet shows the following amounts relating to leases:

Particulars	As at March 31, 2026		As at March 31, 2025	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Right-of-use assets	18.27	19.45	18.27	19.45

Amounts recognised in the statement of profit and loss

The statement of profit or loss shows the following amounts relating to leases:

Particulars	Note	For the year ended March 31, 2026		For the year ended March 31, 2025	
		For the year ended March 31, 2026	For the year ended March 31, 2025	For the year ended March 31, 2026	For the year ended March 31, 2025
Amortization of right-of-use assets	28	1.18	0.74	1.18	0.74
Expense relating to short term lease not included in lease liabilities	29	0.54	0.84	0.54	0.84

44 Events after the reporting period

No material events have occurred after the Balance Sheet date and upto the approval of the financial statements.

45 Struck off Companies: Details of relationship with Companies struck off under Section 248 of Companies Act, 2013 or Section 560 of the Companies Act, 1956:

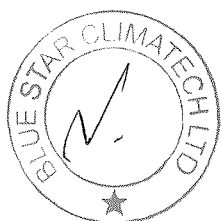
Name of the struck off Company	CIN	Nature of transaction with struck off Company	Balance outstanding as at March 31, 2026	Balance outstanding as at March 31, 2025	Relation with struck off Company
Multitech System Industrial Automation Private Limited	U28910TN2014PTC097924	Payable	-	(0.03)	Vendor

46 Segment Information

The Company is primarily engaged in the business of manufacturing Air conditioners, its parts and components. In view of the same, the entire business has been considered as a single segment in terms of Ind AS 108 on Operating Segments. The Company has identified one operating segment which is consistent with the internal reporting provided to the Board of Directors, who has been identified as the chief operating decision maker (CODM). The CODM is responsible for allocating resources and assessing performance of the operating segment of the Company.

Information about major customers

Included in revenue arising from sales of goods of ₹ 1444.64 Crore (FY 2025: ₹ 1425.01 Crore) which arose from sales to one of its major customers which accounts for 95.72% (FY 2025: 96.01%) of the total revenue from operations.



BLUE STAR CLIMATECH LIMITED
CIN No : U29243MH2021PLC360573

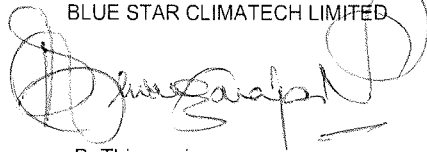
Notes to Standalone Financial Statements for the year ended March 31, 2026

47 AUTHORISATION FOR ISSUE OF THE FINANCIAL STATEMENTS

The financial statements are approved for issue by the Audit Committee and the Board of Directors at their respective meetings conducted on April 24, 2026.

For and on behalf of the Board of Directors of
BLUE STAR CLIMATECH LIMITED

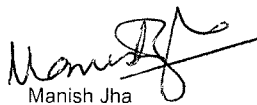
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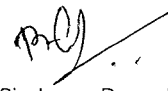
B. Thiagarajan
Director
(DIN: 01790498)



Vir S. Advani
Director
(DIN: 01571278)



Manish Jha
Chief Executive Officer



Sivakumar Ramani
Chief Financial Officer



Neha Roy
Company Secretary

Date: April 24, 2026
Place: Mumbai